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IN THE
Supreme Court of the United States

OCTOBER TERM, 1982

CPG PRODUCTS CORP. and GENERAL MILLS FUN GROUP,
INC.,

Petitioners,

v.

ANTI-MONOPOLY, INC.,

Respondent.

Petition For A Writ Of Certiorari To The United
States Court Of Appeals For The Ninth Circuit

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QUESTIONS PRESENTED

1. Whether a celebrated and commercially successful registered trade-mark used to identify a unique product can be held, as a matter of law, to have become the "common descriptive name" of the product (and thereby lose its legal trade-mark rights) solely because a motivation survey indicates that a majority of the product's purchasers buy it because of a desire to have that product and not because of loyalty to its producer.

2. Whether Rule 52(a) of the Federal Rules of Civil Procedure permits a court of appeals to substitute its finding that a trade-mark is invalid as "generic" for the contrary finding of a district court if the district court's conclusion was based on its reasoned rejection of certain public opinion surveys and of expert testimony.

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INC.,
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v.
ANTI-MONOPOLY, INC.,
Respondent.

**Petition For A Writ Of Certiorari To The United
States Court Of Appeals For The Ninth Circuit**

CPG Products Corp. and General Mills Fun Group, Inc.,¹ hereby petition for the issuance of a writ of certiorari to review the decision and judgment of the Court of Appeals for the Ninth Circuit in *Anti-Monopoly, Inc. v. General Mills Fun Group, Inc.*, No. 81-4281, issued on August 26, 1982.

OPINIONS BELOW

The decision of the court of appeals (Pet. App. A, pp. 1a-19a, *infra*) is reported at 684 F.2d 1316. The decision of the district court (Pet. App. B, pp. 20a-33a, *infra*) is

¹ CPG Products Corp. is, by merger and change of name, the successor in interest of General Mills Fun Group, Inc., which was the appellee in the court of appeals, and is a subsidiary of General Mills, Inc. Parker Brothers is and has been, during the pendency of this action, an unincorporated division of General Mills Fun Group, Inc., and of CPG Products Corp. Throughout this petition, petitioner is referred to as "Parker Brothers."

reported at 515 F. Supp. 448. Earlier decisions of the court of appeals (Pet. App. C, pp. 34a-53a, *infra*) and of the district court (Pet. App. D, pp. 54a-64a, *infra*) are reported at 611 F.2d 296 and in 195 U.S.P.Q. 634.

JURISDICTION

The decision of the court of appeals was issued on August 26, 1982. On November 16, 1982, Justice Rehnquist granted a timely motion to extend the time within which to file a petition for a writ of certiorari to and including December 24, 1982 (Pet. App. E, p. 65a, *infra*). The jurisdiction of this Court rests on 28 U.S.C. § 1254(1).

STATUTE AND RULE INVOLVED

Sections 7(b), 14, 15, 33, and 45 of the Lanham Act, 15 U.S.C. § 1057(b), 1064, 1065, 1115, 1122, and 1127, and Rule 52(a) of the Federal Rules of Civil Procedure are reproduced in Appendix F, pp. 66a-71a, *infra*.

STATEMENT

A. Introduction

This is a widely celebrated case, involving an important decision on federal trade-mark law rendered with regard to an internationally known and registered mark.² The case concerns the validity of the trade-mark "MONOPOLY," which was registered with the Patent and Trade-mark Office in July 1935 and September 1936 by Parker Brothers, a manufacturer and distributor of games. The board game which has been marketed under that trade-

mark has become well-known in this country and throughout the world, with 24 million sets having been sold during the ten-year period which preceded trial of the case. Pet. App. D at 55a. The district court found that ever since the trademark was registered, Parker Brothers "has diligently and consistently promoted and policed" its mark and has not permitted anyone else to use it except under license or permission granted by Parker Brothers. *Id.*

Respondent is a California corporation whose president is Ralph Anspach, a teacher of economics who began in 1973 to market a board game which he had first titled "BUST THE TRUST." Anspach had little success in marketing his game under that name. Thereafter, respondent changed the name of its game to "ANTI-MONOPOLY: The 'Bust The Trust' Game." Under the new title, respondent sold approximately 419,000 games, grossing almost one million dollars by the time of the first trial in this case (Transcript of November 15, 1976, pp. 135-136). When Parker Brothers advised respondent in late 1973 that Parker viewed respondent's use of the name "MONOPOLY" in the title of respondent's game as an infringement of Parker Brothers' trade-mark, respondent filed a declaratory judgment action in the United States District Court for the Northern District of California requesting, *inter alia*, that Parker Brothers' "MONOPOLY" trade-mark be declared invalid.² Parker Brothers counterclaimed for trade-mark infringement

² The complaint also contained a claim requesting an injunction and damages on grounds of unfair competition and a claim for treble damages based on an antitrust theory. By mutual consent, these two claims were severed prior to trial. Summary judgment on the antitrust claims was entered for Parker Brothers by the district court,

and sought an injunction against respondent's future distribution and sale of its game with use of Parker Brothers' trade-mark.³

B. The First Trial

The case proceeded to a four-day trial in November 1976 before District Judge Spencer Williams.⁴ The undisputed evidence at trial established the initial assignment of rights to the game (including all potential patent, copyright and trade-mark rights) to Parker Brothers in the early 1930s, the registrations of the trademark "MONOPOLY" by Parker Brothers,⁵ the very substantial invest-

but the court of appeals reversed and remanded when it issued the decision which is the subject of this petition. *Anti-Monopoly, Inc. v. General Mills, Inc.*, 684 F.2d 1316 (9th Cir. 1982), Pet. App. A at 1a-19a.

³ Parker Brothers initially requested an accounting and damages as well, but waived those requests in June 1975 in connection with its request for a non-jury trial.

⁴ The judge to whom the case was initially assigned, Hon. Lloyd H. Burke, ruled on a number of pretrial matters between March 1974 (when the complaint was filed) and September 1976. At that time, following a colloquy with counsel for respondent and with Professor Anspach, Judge Burke recused himself, and the case was reassigned to Judge Williams.

⁵ On March 30, 1935 Parker Brothers registered the trade-mark "MONOPOLY" for use with a "board game played with movable pieces." That registration was amended in 1959 to relate to "equipment comprising a board and movable pieces for use in playing a real estate trading game." See Trade-mark 326,723, Appendix G, pp. 72a-73a, *infra*. On March 28, 1936, Parker Brothers applied for registration of the name "MONOPOLY" as used for "toy money and racks and tills suitable for holding same for use in the play of games." See Trade-Mark 338,834, Appendix H, p. 74a, *infra*. The registrations were renewed in 1955 and 1956 and in 1975 and 1976 pursuant to 15 U.S.C. § 1059.

ments Parker Brothers thereafter made in marketing the game so that it attracted national attention by the mid-1930s,⁶ and the diligent and consistent policing efforts Parker Brothers has made with regard to its trade-mark.

The trial court also heard evidence that respondent applied in December 1973 to register "ANTI-MONOPLY" as a trade-mark. Respondent did not then claim that the "MONOPOLY" trademark was generic. Respondent's application was rejected by the United States Patent and Trade-mark Office as confusingly similar to Parker Brothers' mark and respondent did not pursue its application any further. Proof was also introduced that "ANTI-MONOPOLY" was being marketed by retailers in physical proximity to "MONOPOLY" so as to capitalize on the popularity of Parker Brothers' game (Transcript of November 17, 1976, pp. 328, 362, 403-404).

C. The First District Court Decision

On April 4, 1977, Judge Williams issued an opinion and final judgment in favor of Parker Brothers. He found:

(1) Although the word "monopoly" was a "common word in the economic sense," its use in the 1930s as a name for a board game was "arbitrary and unique" and Parker Brothers was, therefore, entitled to trade-mark registration in 1935 and 1936. Pet. App. D at 57a-58a.

(2) The word "MONOPOLY" did not become a common descriptive name of the article after its trade-mark registration because it did not describe "all real estate

⁶ For example, the game was featured in unsolicited articles in *Fortune* and *Time* magazines as early as December 1935. *Monopoly*, *Fortune* Magazine, December 1935 at 40; *Monopoly and Politics*, *Time* Magazine, February 3, 1936 at 68.

trading board games" but only "a particular and very popular board game produced by a single company." Pet. App. D at 58a-59a.

(3) There had been no false statement or fraud in Parker Brothers' initial acquisition of a trademark. Pet. App. D at 59a.

(4) Confusion of source is likely because use of the entire "MONOPOLY" mark in the name of respondent's board game "gives rise to an inference that the game is a variation of the MONOPOLY game and is probably produced by the same company." Pet. App. D at 60a.

(5) Respondent had deliberately chosen "ANTI-MONOPOLY" as the name of its product to increase sales by capitalizing on the popular "MONOPOLY" name, and many retailers and their agents were actually confused and believed initially that Parker Brothers was the source of the "ANTI-MONOPOLY" game. Pet. App. D at 61a-62a.

On the basis of these findings, Judge Williams concluded that the "MONOPOLY" trademark was valid and had been infringed by the respondent. He therefore issued a permanent injunction against respondent's use of the mark "ANTI-MONOPOLY."

D. The First Court Of Appeals Decision

The Ninth Circuit reversed and remanded the case for further proceedings. The court of appeals held that the district court had misapplied "the genericness doctrine" in this case. The court interpreted that doctrine as meaning:

that when a trade-mark primarily denotes a product, not the product's producer, the trade-mark is lost.

Pet. App. C at 40a.

Relying heavily on its interpretation of this Court's decision in *Kellogg Co. v. National Biscuit Co.*, 305 U.S. 111 (1938) ("the *Shredded Wheat* case"), the court of appeals ruled that Parker Brothers' registered "MONOPOLY" trade-mark was valid only if the "primary significance" of the trademark was "source identification." Pet. App. C at 42. The court said:

If the primary significance of the trademark is to describe the type of product rather than the producer, the trade-mark has become a generic term and is no longer a valid trade-mark.

Pet. App. C at 45a.

In determining what "type of product" is involved in this case, the court of appeals cited the distinction between a "genus" (which it defined as "a broad classifying term") and a "species" (which it defined as "a specific sub-classifier"), and reasoned that a distinctive game such as "MONOPOLY" could be "its own genus," so that the mark by which it is known to the public would become generic and the owner would then lose its trade-mark rights. Pet. App. C at 42a.

The court of appeals held that the district court had erred in viewing the "genus" in this case as "all board games involving real estate trading" rather than as a unique game which constitutes its own "genus." Pet. App. C at 48a. In remanding the case for further proceedings in which the district court was to determine "*whether the primary significance of [the term 'MONOPOLY'] is to denote product, or source,*" (Pet. App. C at 49a (emphasis in original)) the court of appeals illustrated its point with the following contrasting hypotheticals:

It may be that when a customer enters a game store and asks for MONOPOLY, he means: "I would like Parker Brothers' version of a real estate trading

game, because I like Parker Brothers' products. Thus, I am not interested in board games made by Anti-Monopoly, or anyone other than Parker Brothers." On the other hand, the consumer may mean: "I want a 'Monopoly' game. Don't bother showing me Anti-Monopoly, or EASY MONEY, or backgammon. I am interested in playing the game of Monopoly. I don't much care who makes it."

Id.

E. The Second District Court Decision

Pursuant to the remand, District Judge Williams held two days of evidentiary hearings in July 1980, including testimony from experts on both sides. He also accepted additional documentary evidence and heard a half day of argument. He then concluded again that Parker Brothers' trade-mark was valid and had been infringed.

With respect to the 1935 and 1936 trade-mark applications, Judge Williams held that "MONOPOLY" was not generic at the time of its initial registration. He found that prior to 1935 there had only been "isolated and sporadic examples of individuals playing old oilcloth games" bearing names occasionally referred to as "Monopoly" or "Landlord's Game." The trial judge concluded that respondent had made no showing of the public's understanding of the term "MONOPOLY" in the 1930s or of how much the game was played prior to the trade-mark registration. On this basis, he rejected respondent's claim that the term "MONOPOLY" had been the common descriptive title of the game at the time of its trade-mark registration. Pet. App. B at 24a-25a.

The district judge also rejected the claim that the trade-mark "MONOPOLY" had become generic because of popular usage *after* its registration. He noted that a determination under the court of appeals' standard was particularly "difficult and delicate" when it concerns a

"single producer of a unique item." Pet. App. B at 27a. Judge Williams said:

Consumers purchase games because they wish to play the games they seek, yet this fact alone should not serve to invalidate an otherwise legitimate trade-mark. The makers of MONOPOLY should not be penalized simply because they have created a unique product which they have actively and diligently promoted.

Pet. App. B at 29a-30a.

The district judge noted that a trade-mark such as "MONOPOLY" may have dual usage, denoting both product and source. He then concluded that the public's understanding of the term "MONOPOLY" is:

to denote a "Parker Brothers' game" (*i.e.*, source) in contradistinction to that "popular game of MONOPOLY" (product).

Pet. App. B at 30a.

Judge Williams accepted the results of a survey conducted by Parker Brothers modeled on one survey which had been approved in a case challenging the validity of the trade-mark "TEFLON."⁷ That survey established that 63 percent of the public recognized "MONOPOLY" to be the "brand name" of a product, and that 55 percent of the recognizing group named Parker Brothers as the producer of the "MONOPOLY" game.⁸ The district court rejected a "motivation" survey conducted by the respon-

⁷ *E.I. Dupont de Nemours & Co. v. Yoshida Int'l, Inc.*, 393 F. Supp. 502 (E.D.N.Y. 1975).

⁸ "MONOPOLY" was compared in the survey with 19 other famous trade-marks, including, for example, Tide, Lavis, Saville, Coke and Jell-O. "MONOPOLY" had greater "source recognition" than all but two of the others.

dent along the lines of the language in the Ninth Circuit's first decision. Pet. App. B at 27a. After sustaining Parker Brothers' challenges to the fairness of that survey, (Pet. App. B at 29a), Judge Williams added that he was rejecting the survey because of "other methodological deficiencies"—some of which were described in his opinion (*id.*, n.4, *infra*). He concluded that the dispositive issue is not "why consumers buy MONOPOLY sets" but "what is their understanding of the name MONOPOLY." Finding that the mark signifies a Parker Brothers game, Judge Williams determined that the trade-mark "MONOPOLY" had not become generic. He thereupon entered judgment for Parker Brothers, declaring that its trade-mark "is in all respects valid and enforceable," and reinstated his earlier injunction.

F. The Second Court Of Appeals Decision

The court of appeals again reversed Judge Williams. Purporting to apply the standard prescribed by Rule 52(a) of the Federal Rules of Civil Procedure, as recently invoked by this Court in *Pullman-Standard v. Swint*, 102 S.Ct. 1781 (1982), and in *Inwood Laboratories, Inc. v. Ives Laboratories, Inc.*, 102 S.Ct. 2182 (1982), the Ninth Circuit vacated as "clearly erroneous" the district judge's finding that "MONOPOLY primarily denotes its producer, Parker Brothers, and primarily denoted its producer when registered."

The court of appeals did not question the results of Parker Brothers' survey, but it held that these results did not sustain the district court's finding. The court of appeals chose to rely instead on the "motivation" telephone survey commissioned by respondent which had inquired as to the reasons why purchasers buy "MONOPOLY." People who had bought the game or intended to buy it had been asked *why* they would do so. By adapta-

tion of the court of appeals' language, they were given a choice of two statements:

- (1) I want a "MONOPOLY" game primarily because I am interested in playing "MONOPOLY." I don't much care who makes it.
- (2) I would like Parker Brothers' "MONOPOLY" game primarily because I like Parker Brothers' products.

The court of appeals concluded that since 65 percent chose the first of these alternatives and only 32 percent chose the second, the district court had to conclude that the primary significance of "MONOPOLY" is product rather than source. On this ground, the court of appeals held that the word "MONOPOLY" had become generic and its trade-mark registration was no longer valid. Pet. App. A at 18a.

Parker Brothers had countered respondent's "motivation" survey with a parallel survey demonstrating that the laundry detergent "TIDE" was purchased by 68 percent of polled consumers not because of any source identification but because it was thought to have uniquely desirable qualities. The court of appeals rejected petitioner's argument that these results proved the fallacy of having the validity of a trade-mark depend on customers' stated reasons for purchasing the trade-marked product. Instead, the court of appeals suggested that in an appropriate case it might, by a parity of reasoning, declare Procter and Gamble's "TIDE" trade-mark invalid. Pet. App. A at 19a.

REASONS FOR GRANTING THE WRIT

The decision of the Ninth Circuit invalidates one of the best-known trade-marks in the United States on the basis of a novel approach to trade-mark law which conflicts with decisions in other circuits and with accepted principles that have governed trade-mark rights for the past half century. The court of appeals' reasoning rests on a misunderstanding of a landmark decision of this Court and on a misreading of leading opinions in the Second Circuit, including one written by Judge Learned Hand. The decision of the Ninth Circuit also conflicts with the language and policies of the Lanham Act of 1946, which is the statute that controls federal trade-mark law.

Unless this Court reviews this decision and clarifies the law, the opinion of the Ninth Circuit will sow chaos in the manufacture and merchandising of brand-name products affecting all spheres of life. Actual or potential competitors of many highly successful products that have become publicly identified by their brand names may henceforth pirate such brand names for their own benefit with impunity. If the pirates are then able to demonstrate with a "motivation" survey that consumers purchase the brand-name product primarily because of a desire to have that product and not because of who manufactures it, they will be able to prevail, under the novel standard prescribed by the court below, if they are ever sued for trade-mark infringement.

In addition, by overruling the considered judgment of a district judge who had weighed the proof presented to him, including expert testimony, the court of appeals exceeded the bounds set by Rule 52(a) of the Federal Rules of Civil Procedure. While acknowledging the "clearly erroneous" standard and this Court's very recent pronouncements on the limited role of appellate courts in

reviewing factual inferences and determinations made by district judges, the court of appeals actually exceeded its powers by substituting its own factual conclusions for those of the district court. This course was particularly impermissible when, as was true here, the district court had explicitly credited one line of expert testimony and had rejected another.

I

THE NINTH CIRCUIT'S DECISION RADICALLY ALTERS ESTABLISHED TRADE-MARK LAW IN A MANNER THAT HAS IMMEDIATE AND RECURRING PRACTICAL EFFECT ON THE MERCHANDISING OF GOODS IN THE UNITED STATES.

It has long been an accepted principle of trade-mark law that trade-marks serve a number of desirable and lawful functions.⁹ Departing from that principle, the court of appeals in this case has made the continued validity of many trade-marks depend entirely on whether a majority of the public says that it purchases the trade-marked product out of affection for the producer and not

⁹ See, e.g., 1 Gilson, *Trademark Protection and Practice*, § 1.03 (1976) (six primary functions); 3 R. Callmann, *The Law of Unfair Competition, Trademarks and Monopolies*, § 65 (3d ed. 1969) ("[t]he trade-mark may serve in several capacities, each unique unto itself"). See also, Rogers, *The Social Value of Trade-marks and Brands*, 37 Trade-Mark Rep. 249 (1947); Brown, *Advertising and the Public Interest: Legal Protection of Trade Symbols*, 57 Yale L.J. 1165 (1948); Link, *The Social Significance of Trade-marks*, 38 Trade-Mark Rep. 622 (1948); Oppenheim, *The Public Interest in Legal Protection of Industrial and Intellectual Property*, 40 Trade-Mark Rep. 613 (1950); Backman, *The Role of Trademarks in Our Competitive Economy*, 58 Trade-Mark Rep. 219 (1968); Lunsford, *Consumers and Trademarks: The Function of Trademarks in the Marketplace*, 64 Trade-Mark Rep. 75 (1974).

because of a desire for the product. If an otherwise successful trade-mark has not implanted in the public's mind an overwhelming loyalty to a particular producer, the mark will, under the Ninth Circuit's rule, become invalid on the ground that it has become the common descriptive name of the product rather than an identification of its source.

The court of appeals' decision will have immediate consequences. The ruling has received substantial publicity in the popular press.¹⁰ It has caused consternation among owners of nationally known trade-marks because they fear that unethical exploiters of such trade-marks may now commission field surveys and, on receiving reports that more of the public identifies the mark with the product than with its manufacturer, begin to utilize previously protected trade-marks on the ground that they have become generic. Confusion and uncertainty will engender litigation, with enormous costs that will ultimately be borne by consumers.

The novel doctrine applied by the Ninth Circuit totally ignores the realities of a trade-mark's effect on the marketplace, as recognized by many perceptive commentators, including Justices of this Court. In *Mishawaka Rubber & Woolen Mfg. Co. v. S.S. Kresge Co.*, 316 U.S. 203, 205 (1942), Justice Frankfurter, speaking for the Court, set out the rationale for trade-mark protection in terms that conflict squarely with the reasoning of the Ninth Circuit:

The protection of trade-marks is the law's recognition of the psychological function of symbols. If it is

¹⁰ See, e.g., *New York Times*, October 5, 1982; *Forbes Magazine*, October 25, 1982; *Atlanta Constitution*, September 3, 1982.

true that we live by symbols, it is no less true that we purchase goods by them. A trade-mark is a merchandising short-cut which induces a purchaser to select what he wants, or what he has been led to believe he wants. The owner of a mark exploits this human propensity by making every effort to impregnate the atmosphere of the market with the drawing power of a congenial symbol. Whatever the means employed, the aim is the same—to convey through the mark, in the minds of potential customers, the desirability of the commodity upon which it appears. Once this is attained, the trade-mark owner has something of value. If another poaches upon the commercial magnetism of the symbol he has created, the owner can obtain legal redress.

Justice Holmes similarly recognized that a trade-mark does more than merely identify a source. In sustaining the trade-mark claim made on behalf of Coca-Cola, he said for a unanimous Court in *Coca-Cola Co. v. Koke Co.*, 254 U.S. 143, 146 (1920) (emphasis added):

The name now characterizes a beverage to be had at almost any soda fountain. It means a single thing coming from a single source, and well known to the community. It hardly would be too much to say that the drink characterizes the name as much as the name the drink. In other words, Coca-Cola probably means to most persons the plaintiff's familiar product, to be had everywhere, rather than a compound of particular substances [W]e see no reason to doubt that . . . it has acquired a secondary meaning *in which, perhaps, the product is more emphasized than the producer*, but to which the producer is entitled.

And Judge Learned Hand, who wrote the seminal decision on the subject of genericness—*Bayer Co. v. United Drug Co.*, 272 F. 505 (S.D.N.Y. 1921)—declined to emphasize, as the Ninth Circuit now has, purchasers' motivations and loyalty to a particular source. Defining

the issue presented in the celebrated case which determined whether "ASPIRIN" was entitled to trade-mark protection, he said:

So here it might be that the name "Aspirin" in fact had come at once to describe the drug in question and also its origin from a single source. If it did, that would be enough to justify some protection, *since the identity of the source need not be known . . .*

. . . So here the question is whether the buyers merely understood that the word "Aspirin" meant this kind of drug, or whether it meant that and more than that; *i.e., that it came from the same single, though, if one please anonymous, source from which they had got it before.*

Id. at 509 (emphasis added).

The court of appeals ignored these respected judgments (as well as more recent expressions by less celebrated authorities¹¹) when it conditioned the continued validity of the "MONOPOLY" trade-mark on whether a majority of purchasers say that they would purchase the

¹¹ See *e.g.*, *Dan Robbins & Associates, Inc. v. Questor Corp.*, 599 F.2d 1009, 1014 (C.C.P.A. 1979), ("It is enough that purchasers can rely on a mark to distinguish products emanating from different sources, and a mark need not identify a specific source"); *Feathercombs, Inc. v. Solo Products Corp.*, 306 F.2d 251, 255 (2d Cir. 1962) ("we are not to be construed as saying that it is necessary that purchasers actually know the name of the manufacturer"); *Tas-T-Nut Co. v. Variety Nut & Date Co.*, 245 F.2d 3, 7 (6th Cir. 1957); 3 R. Callmann, *Unfair Competition and Trademarks*, § 84.1 at 1628 (2d ed. 1950). See also *Siegel v. Chicken Delight, Inc.*, 448 F.2d 43, 48 (9th Cir. 1971), *cert. denied*, 405 U.S. 955 (1972) ("[t]he historical conception of a trade-mark as a strict emblem of source of the product to which it attaches has largely been abandoned. The burgeoning business of franchising has made trade-mark licensing a widespread commercial practice and has resulted in the development of a new rationale for trade-marks as representations of product quality.")

game "primarily because I like Parker Brothers' products."

That test—whether the purchaser professes to be primarily motivated by loyalty to a particular producer rather than by a desire for a unique product which the trade-mark identifies—immediately jeopardizes many of the most successful marks on consumer products.

How many purchasers of "PAC-MAN" games would specify loyalty to the publicly unknown manufacturer of the game in which a traveling open-mouthed sphere gobbles up little dots, other hungry creatures, and "power pills?" How many buyers of "E.T." products would explain their purchasing decision as based on fondness for Universal City Studios, Inc., rather than for a replica of a gnome-like creature with large sad eyes and a pug nose?¹² These are just two very recently developed brand-names which have achieved great commercial success as a result of the investment of substantial resources. By the Ninth Circuit's novel standards, both would readily be found "generic," and their popular names could freely be pirated by any exploiter willing to enter into the market.

Parker Brothers' "TIDE" survey, and the court of appeals' reaction to it, demonstrate that other established trade-marks are in real jeopardy. If 65 percent of those questioned in a survey were to respond that they purchase "TRIDENT" sugarless gum because it is the chewing gum that prevents cavities, or if a similar percent say they eat "WHEATIES" because it is the breakfast cereal endorsed by champion athletes, even if much

¹² Appendix I at 76a-77a, *infra*, consists of copies of recent newspaper advertisements for "E.T." dolls and other products, with obvious indications of efforts to protect the registered trade-mark. If the Ninth Circuit's analysis is correct, these efforts are futile.

of the public also identifies either name with Warner-Lambert Company or with General Mills, the Ninth Circuit's decision requires the invalidation of those well-known trade-marks.

II

THE NINTH CIRCUIT'S DECISION MISREADS AND MISAPPLIES A LANDMARK PRECEDENT OF THIS COURT AND CONFLICTS WITH DECISIONS IN OTHER CIRCUITS

A. *This Court's Precedent.*—The court of appeals relied, in its first opinion, on this Court's celebrated *Shredded Wheat* decision in announcing the rule that "MONOPOLY" may continue to be a valid trademark only if its " 'primary significance . . . in the minds of the consuming public is not the product but the producer.' " Pet. App. C at 42a (quoting from *Kellogg Co. v. National Biscuit Co.*, 305 U.S. 111, 118 (1938)). The court of appeals extracted this standard as the essence of "the genericness doctrine" which, it said, "has undergone little change since the *Shredded Wheat* case." *Id.*

This analysis significantly misapplied and misunderstood this Court's decision in the *Shredded Wheat* case. It was undisputed in that case (1) that the words "shredded wheat" had been "generic" because they described the product "with a fair degree of accuracy," (2) that "shredded wheat" was the name by which the particular breakfast food was "generally known by the public," (3) that there had been no effort for many years to use the words as a trade-mark, and (4) that one attempted registration of such a mark had been refused and the refusal upheld on judicial review. 305 U.S. at 116-17. The principal claim made by the plaintiff was that the words "shredded wheat"—concededly generic—had acquired a "secondary meaning" by which the public associated any product

bearing that designation with the National Biscuit Company. In considering that argument, Justice Brandeis said that the National Biscuit Company could prevail only if it showed "that the primary significance of the term in the minds of the consuming public is not the product but the producer." 305 U.S. at 118.

The *Shredded Wheat* case held only that when a producer claims that a common descriptive term has become so paired in the public's mind with his own name that no one else may use it, he must establish that when the public uses or hears the term, it thinks of the term as a trade-mark, rather than as a generic term. But that is a far cry from saying, as the court of appeals did here, that a non-generic mark heretofore utilized only by a single producer and properly registered as a trade-mark by that producer remains valid only if the producer demonstrates that the public thinks of a corporate name when it hears or uses that distinctive word. This case would be analogous to *Shredded Wheat* only if the trade-mark at issue were "A REAL ESTATE TRADING GAME," and Parker Brothers claimed that the public associated these descriptive non-proprietary words *only* with Parker Brothers. Justice Brandeis' test in the *Shredded Wheat* case does *not* apply, however, to the distinctive use of the word "MONOPOLY," which has been a registered trade-mark since 1935 for the merchandising of a distinctive game.¹³

¹³ For this reason, the court of appeals' decision is not supported by the district court ruling in *Selchow & Righter Co. v. Western Printing & Lithographing Co.*, 47 F. Supp. 322 (E.D.Wis. 1942), *aff'd*, 142 F.2d 707 (7th Cir.), *cert. denied*, 323 U.S. 735 (1944), in which the name "Parcheesi" or "Pachisi" was held to be an invalid trade-mark

B. *Decisions in Other Federal Circuits*—The Ninth Circuit's decision also conflicts with the rulings of other federal courts which have considered similar trade-mark issues. In *Standard Brands, Inc. v. Smidler*, 151 F.2d 34 (2d Cir. 1945), for example, the validity of the "V-8" trade-mark as used on a vegetable-juice drink was at issue. The Second Circuit held that the trade-mark "has become associated in the public mind as the banner of that product," and it was irrelevant that there had been no finding "that the trade-mark in suit was commonly known to be the plaintiff's mark." 151 F.2d at 36, 37.

Applying similar reasoning, the Court of Customs and Patent Appeals rejected, in *Dan Robbins & Associates, Inc. v. Questor Corp.*, 599 F.2d 1009, 1014 (C.C.P.A. 1979), a genericness challenge to the trade-mark "TINKERTOY" which was said, on grounds paralleling those accepted by the Ninth Circuit, to have become a generic label for a particular kind of construction toy. The court said, "It is enough that purchasers can rely on a mark to distinguish products emanating from different sources, and a mark need not identify a specific source."¹⁴

as applied to a traditional Hindi game. The court found that "for many years" before its initial registration under that name in the United States, the game had been played in India under the name "Pachisi" and was "often referred to as the national game of India." 47 F. Supp. at 324.

¹⁴ The same point was recently made in a persuasive concurring opinion by Judge Nies of the Court of Customs and Patent Appeals, in *In re DC Comics*, 24 Pat., Trademark & Copyright J. (BNA) 572, 574 (October 7, 1982). In the course of a thorough discussion, Judge Nies said, "The reason the public is motivated to buy the product, whether because of quality, particular features, source, pleasing design, association with other goods, price, durability, taste, or prestige of ownership, is of concern to market researchers but is legally immaterial to the issue of whether a particular designation is generic."

Other federal decisions have upheld trademarks which are substantially more susceptible to genericness challenge than the word "monopoly" as applied to a board game. See, e.g., *Salton, Inc. v. Cornwall Corp.*, 477 F. Supp. 975 (D.N.J. 1979) ("HOTRAY"); *Coca-Cola Co. v. Seven-Up Co.*, 497 F.2d 1351 (C.C.P.A. 1974) ("THE UNCOLA"); *In re Beaunit Mills, Inc.*, 274 F.2d 436 (C.C.P.A. 1959) ("BEMBERG"); *Dictaphone Corp. v. Dictamatic Corp.*, 199 U.S.P.Q. (BNA) 437 (D. Ore. 1978) ("DICTAPHONE"); *Stix Prods., Inc. v. United Merchants & Mfrs., Inc.*, 295 F. Supp. 479 (S.D.N.Y. 1968) ("CON-TACT"); *Marks v. Polaroid Corp.*, 129 F. Supp. 243, 270 (D. Mass. 1955), *aff'd*, 237 F.2d 428 (1st Cir. 1956), *cert. denied*, 352 U.S. 1005 (1957) ("POLAROID") ("[O]ne would have to be blind to deny that there has been a widespread generic use of the word 'polaroid.'"); *Q-Tips, Inc. v. Johnson & Johnson*, 108 F. Supp. 845, 863 (D.N.J. 1952), *aff'd*, 206 F.2d 144 (3d Cir.), *cert. denied*, 346 U.S. 867 (1953) ("Q-TIPS") ("Instances of use of the word 'Q-Tips' in a generic sense, while evidentiary, do not of themselves necessarily establish that the buyers' understanding is that it is the name of a kind of goods sold."); cf. *Walgreen Drug Stores, Inc. v. Obeart-Nester Glass Co.*, 113 F.2d 956, 959 (8th Cir.), *cert. denied*, 311 U.S. 708 (1940) ("PYREX") ("known throughout the country almost as a household word indicative of the products made of a particular kind of heat-resisting glass"); *Keebler Weyl Baking Co. v. J. S. Ivins' Son, Inc.*, 7 F. Supp. 211 (E.D.Pa. 1934) ("CLUB CRACKERS").

The Ninth Circuit misread the three leading opinions in which well-known trade-marks were found to be invalid as generic. In *Bayer Co. v. United Drug Co.*, 272 F. 505 (S.D.N.Y. 1921); *DuPont Cellophane Co. v. Waxed Products Co.*, 85 F.2d 75 (2d Cir.), *cert. denied*, 299 U.S. 601 (1936); and *King-Seeley Thermos Co. v. Aladdin*

Industries, Inc., 321 F.2d 577 (2d Cir. 1963), courts held that the marks "ASPIRIN," "CELLOPHANE," and "THERMOS," respectively, had become generic. The court of appeals cited and relied on these decisions while ignoring the critical and dispositive elements which distinguish them from this case and which demonstrate that the standard applied by the Ninth Circuit conflicts with that applied by the Second Circuit in these leading decisions.

First, in all three cases, the owners of the trade-marks had not adequately policed use of the names to preserve their non-generic quality, but had used them descriptively in promotional and other literature in order to increase their popularity. *See* 272 F. at 510-512; 85 F.2d at 78-80; 321 F.2d at 578.

Second, in none of these three leading cases did the trade-mark which was found to be generic signify a product which, at the time of the litigation, emanated from a single source. Each of the products involved in the three cited cases was being produced and sold by more than one manufacturer. The issue for the court in each instance was whether one producer, who had for a period of time held a patent on the product, could have the exclusive right to use a mark which had become identified in the public's mind with the very same product that was sold by his competitors.

In the present case, there is no other producer or distributor of the game which the public knows as "MONOPOLY." Even if that mark is insufficiently associated in the public mind with the entity known as Parker Brothers, it has heretofore defined a unique product which has not been available from any other source.

The Ninth Circuit's decision misapplies the "ASPIRIN," "CELLOPHANE," and "THERMOS" cases to a

situation where a trade-mark continues to serve a dual function by identifying both a unique product and the source of that product. The Ninth Circuit's fundamental error was in assuming that the source-identification and product-identification functions must be viewed as mutually exclusive alternatives, and that a trade-mark may survive only if purchasers rely on the trade-mark to identify the source rather than to identify the unique product. See Swann, *The Validity of Dual Functioning Trademarks: Genericism Tested by Consumer Understanding Rather Than by Consumer Use*, 69 Trade-Mark Rep. 357 (1979).

Finally, the Ninth Circuit engrafted onto the "ASPIRIN," "CELLOPHANE," and "THERMOS" cases a totally new concept that was not suggested by any of the three opinions—i.e., the "motivation" of purchasers of the trade-marked product. Judge Williams was plainly right when he said:

The dispositive issue hence is *not* why consumers buy MONOPOLY sets, but rather, what is their *understanding* of the name MONOPOLY?

Pet. App. B at 30a (emphasis in original).

The question of consumer "understanding" is what judges of the Second Circuit looked to in the three leading cases. In substituting "motivation" for "understanding," the Ninth Circuit has established a standard that conflicts with the standard applied in the Second Circuit.

III

THE NINTH CIRCUIT'S DECISION CONFLICTS WITH THE LANGUAGE AND POLICIES OF THE GOVERNING FEDERAL STATUTE.

The current federal trade-mark law is the Lanham Act of 1946, 15 U.S.C. §§ 1051-1127, which was passed after extensive legislative debate to replace the statute initial-

ly enacted in 1881 (21 Stat. 502) and amended in 1905, 1906 and 1920. 33 Stat. 924; 34 Stat. 168; 41 Stat. 523. Many principles of trade-mark law evolved prior to the passage of the Lanham Act, but the Congress that approved the 1946 law dealt specifically with a large number of trade-mark issues. The question decided by the court of appeals in this case—*i.e.*, under what circumstances the owner of a registered trade-mark should lose his rights on the ground that the mark has become generic—was discussed by Congress, and language was carefully selected to provide for that contingency. The decision of the Ninth Circuit is not supported by the language Congress chose and conflicts with the policies which Congress sought to implement.

The Lanham Act does not use the word “generic”—even though amendments which would have inserted it were proposed during the Congressional hearings. *See, e.g., Trade-Marks: Hearings on S. 895 Before a Subcomm. of the Senate Comm. on Patents, 77th Cong., 2d Sess. 43 (1942); Trade-Marks: Hearings on H.R. 82 Before a Subcomm. of the Senate Comm. on Patents, 78th Cong., 2d Sess. 103 (1944).* Instead, Section 14(c) of the Act, 15 U.S.C. § 1064(c), authorizes cancellation of a trade-mark registration “at any time if the registered mark becomes the common descriptive name of an article or substance.” Whether a mark is a “common descriptive name” does not depend on the Ninth Circuit’s test of why purchasers buy the product. *Pet. App. A at 18a.* A trade-mark such as “MONOPOLY” denotes a unique product and is, therefore, not a “common descriptive name” irrespective of whether purchasers express loyalty to the trade-mark owner.

Indeed, the Lanham Act’s definition of a “trademark” itself refutes the Ninth Circuit’s rationale. The 1946 law defines “trademark” as “any word, name, symbol or device or any combination thereof adopted and used by a

manufacturer or merchant to identify his goods and distinguish them from those manufactured or sold by others." 15 U.S.C. § 1127. The Act thus recognizes that a principal function of a trade-mark is to identify and distinguish among *goods*, and that it no longer has the exclusive purpose of identifying the particular *source* of manufactured goods.

The Department of Justice objected to the Lanham Act precisely because it did not approve of that change. The Assistant Attorney General's Memorandum, reprinted in the Hearings of the Senate Committee on Patents,¹⁵ stated:

The objections to H.R. 82, the trade-mark bill, discussed in the attached memorandum may be summarized as follows:

1. The bill changes the basic concept on which the trade-mark protection has been granted. This change is from protection of the mark as an indication of the origin of a product to that of protecting an exclusive right in the name of the product itself. . . .

The Justice Department's oral testimony was to the same effect. The Senate subcommittee was told that "a starting point for the bill, is the assumption that a trade-mark or designation of goods does not indicate origin—that is the producer or seller of the goods—but carries with it a designation of the goods itself."¹⁶

Moreover, the Lanham Act's "incontestability" provision was designed to limit legal challenges of the kind made here by respondent. The Act provides that a certificate of trade-mark registration "shall be *prima facie* evidence of the validity of the registration, registrant's ownership of the mark, and of registrant's exclusive right to

¹⁵ *Trade-Marks: Hearings on H.R. 82 Before a Subcomm. of the Senate Comm. on Patents*, 78th Cong., 2d Sess. 58 (1944).

¹⁶ *Id.* at 71.

use the mark in commerce." 15 U.S.C. §§ 1057(b), 1115(a). The Act further provides that after five years of continuous use and registration, a mark which is not a "common descriptive name of any article or substance" is to be incontestable. 15 U.S.C. § 1065.

The legislative history of this provision indicates that it was designed to protect holders of registered trademarks who had neither deliberately nor negligently abandoned their marks against legal challenges based on public perceptions alone.

During Congressional hearings prior to passage of the 1946 Act, the then-chairman of the Trademark Committee of the American Bar Association's Section of Patents, Trademark and Copyright explained to Congress that "whether or not . . . a mark becomes generic . . . depends wholly upon what the trade-mark owner himself has done or failed to do." *Trade-Marks: Hearings on S.895 Before a Subcomm. of the Senate Comm. on Patents*, 77th Cong., 2d Sess. 45 (1942). See also *Trade-Marks: Hearings on H.R. 82 Before the House Comm. on Patents*, 78th Cong., 1st Sess. 26-29 (1943).¹⁷ The "ASPIRIN" and "CELLOPHANE" cases were specifically discussed in the Congressional hearings, and the consensus that emerges from the hearings is that Congress intended to have the principle of those decisions apply only when the

¹⁷ The statutory authority to cancel a registered trade-mark "at any time if the registered mark becomes the common descriptive name of an article or substance" (15 U.S.C. § 1064(c)) was inserted, with no discussion, in conference just before the bill received its final approval. See *Registration and Protection of Trade-Marks: Hearings on S. 2540 Before a Subcomm. of the Senate Comm. of the Judiciary*, 83rd Cong., 2d Sess. 41, 56 (1954). This provision may have been thought to specify only a particular form of abandonment of trade-mark rights. There is no indication that it was intended to reach a totally blameless owner of a registered trade-mark.

trademark owner's acts of omission or commission caused his mark to become "the common descriptive name" of the product he was marketing. Congress surely did not authorize the invalidation of a trade-mark whose owner had been vigilant, as Parker Brothers indisputably was, in policing, and where the only alleged deficiency of the mark is that it is more clearly identified in the public's mind with a unique product than with its producer.

IV

THE NINTH CIRCUIT'S DECISION EXCEEDS THE AUTHORITY GIVEN TO AN APPELLATE COURT BY THE FEDERAL RULES OF CIVIL PROCEDURE.

The court of appeals has now twice overruled findings made by District Judge Williams after evidentiary hearings. On the first occasion, the court of appeals remanded for possible consideration of additional proof and application of a legal standard set out in its first opinion. On the second occasion, the court of appeals overturned the district judge's determination that the "MONOPOLY" trade-mark had not become generic and substituted for that conclusion its own diametrically opposite finding.

The court below cited and acknowledged Rule 52(a) of the Federal Rules of Civil Procedure, which states that "[f]indings of fact shall not be set aside unless clearly erroneous, and due regard shall be given to the opportunity of the trial court to judge of the credibility of the witnesses." It also dutifully noted this Court's very recent decisions in *Pullman-Standard v. Swint*, 102 S.Ct. 1781 (1982), and in *Inwood Laboratories, Inc. v. Ives Laboratories, Inc.*, 102 S.Ct. 2182 (1982), enforcing Rule 52(a). But the only obedience the court of appeals paid to these controlling rules of law was lip service.

The district judge's careful opinion (Pet. App. B at 20a-33a, *infra*) exhibited the reliance he placed on sever-

al evidentiary considerations in reaching his factual conclusion that the "MONOPOLY" mark "primarily denotes its producer, Parker Brothers." Pet. App. B at 31a. He credited a "brand name" survey submitted by Parker Brothers, which was modeled on a survey approved in *E. I. DuPont de Nemours & Co. v. Yoshida Int'l, Inc.*, 393 F. Supp. 502 (E.D.N.Y. 1975) (the "TEFLON" case). That survey established that 63 percent of the public recognized "MONOPOLY" as a "brand name" and that 55 percent of that group identified Parker Brothers as its producer.

The court of appeals rejected this survey in its entirety, asserting that it "tells us nothing at all about the *primary* meaning of MONOPOLY in the minds of consumers." Pet. App. A at 13a. The court of appeals also dismissed the testimonial conclusion of Parker Brothers' expert witness that the trade-mark primarily denoted the producer of the game, citing its view of what "became clear" as a result of the witness' cross-examination and redirect examination. *Id.*

When it turned to respondent's "motivation" survey, the court of appeals went even farther in overriding the district judge's appraisal of expert testimony. Judge Williams had rejected the respondent's survey on a number of grounds relating to its methodology (Pet. App. B at 28a), and the court of appeals, in an elaborate discussion, proceeded to disagree with various of his criticisms for its own subjective reasons.¹⁸

¹⁸ On one matter—Parker Brothers' assertion that the introductory question of the motivation survey unfairly prejudiced later responses—the court of appeals said, "[I]t has no inherent plausibility." On a similar question, the court said that it had no reason "to suspect the exercise of judgment." It also ruled that the categories to which responses had been assigned "strike us as reasonable ones." Pet. App. A at 16a. These are all conclusions that are appropriately drawn by the finder of fact who has heard the experts.

This substitution of the court of appeals' view of the facts for that of the district judge was a patent violation of the limiting standard prescribed by Rule 52(a). This Court observed in its *Inwood Laboratories* opinion that the standard of Rule 52(a) "rests upon the unique opportunity afforded the trial court judge to evaluate the credibility of witnesses and to weigh the evidence." 102 S.Ct. at 2189. The Court insisted that "[d]etermining the weight and credibility of the evidence is the special province of the trier of fact." *Id.* Evidence like the surveys presented by both sides here must be sponsored by expert witnesses. Federal Rule of Evidence 703; *Baumholser v. Amax Coal Co.*, 630 F.2d 550, 552 (7th Cir. 1980). Such witnesses must explain the design, execution and proper interpretation of their surveys and must establish that the surveys conform to prevailing professional standards. In this case, four experts—two on each side—took the witness stand. Evaluation of their weight and probity is a classic issue of fact. As the Third Circuit noted in *Grotrian, Helfferich, Schulz, Etc. v. Steinway & Sons*, 523 F.2d 1331, 1341 (2d Cir. 1975): "The weight to be given to [certain surveys] was for the district court as the trier of the facts to determine."

The Ninth Circuit's reversal of the district court was, therefore, a plain violation of the standard of Rule 52(a). This Court should review this case to clarify, as it began to do last Term, the limitations set by the Rule on the authority of courts of appeal. Alternatively, if the Court concludes that the *Pullman-Standard* and *Inwood Laboratories* rulings provide adequate guidelines for future cases without subjecting the Rule 52(a) question to further plenary consideration, the Court should grant certiorari in this case and summarily reverse the judgment of the court of appeals. For, as we demonstrate at

pp. 13-18, *supra*, the decision of the lower court, if permitted to become final, will do great unjustified damage to established trade-mark rights.

CONCLUSION

For the foregoing reasons, a writ of certiorari should be granted and the judgment of the court of appeals should be reversed.

Respectfully submitted,

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December 1982

APPENDIX A

ANTI-MONOPOLY, INC.,
Plaintiff and Counter-Defendant-Appellant,

v.

GENERAL MILLS FUN GROUP, INC.,
Defendant and Counter-Claimant-Appellee.

No. 81-4281.

United States Court of Appeals,
Ninth Circuit.

Argued and Submitted Nov. 9, 1981.

Decided Aug. 26, 1982.

Plaintiff, corporation engaged in business of selling game called Anti-Monopoly, brought action to challenge validity and enforceability of "Monopoly" trademark. On remand after prior appeal, 611 F.2d 296, the United States District Court for the Northern District of California, Spencer Williams, J., found for the defendant trademark owner, 515 F.Supp. 448. On second appeal, the Court of Appeals, Duniway, Circuit Judge, held that: (1) the District Court's finding that, as game trademark, "Monopoly" primarily denoted its producer was clearly erroneous, and (2) as applied to board game, the word "Monopoly" had become "generic," and register of it as trademark was no longer valid.

Reversed and remanded.

Carl E. Person, New York City, for Anti-Monopoly, Inc.

Robert S. Daggett, San Francisco, Cal., argued, for General Mills Fun Group, Inc.; Oliver P. Howes, Jr., Nims, Howes, Collison & Isner, New York City, Brobeck, Phleger & Harrison, San Francisco, Cal., on brief.

Appeal from the United States District Court for the Northern District of California.

Before DUNIWAY and SNEED, Circuit Judges, and TASHIMA,* District Judge.

DUNIWAY, Circuit Judge:

This is the second appeal in this case. Our first opinion is reported in *Anti-Monopoly, Inc. v. General Mills Fun Group*, 9 Cir., 1979, 611 F.2d 296 (*Anti-Monopoly I*). On remand the district court again found that the "Monopoly" trademark was valid and had been infringed by Anti-Monopoly, Inc. *Anti-Monopoly, Inc. v. General Mills Fund Group, Inc.*, N.D.Cal., 1981, 515 F.Supp. 448 (*Anti-Monopoly II*). We reverse and remand for further proceedings.

I. Prior Proceedings.

General Mills is the successor to Parker Brothers, Inc., which had produced and sold a game it called Monopoly since 1935. Parker Brothers registered "Monopoly" as a trademark in that year. In 1973 Anti-Monopoly, Inc. was established to produce and sell a game it called Anti-Monopoly. General Mills claimed that this infringed its trademark. This action was then brought by Anti-Monopoly, seeking a declaratory judgment that the registered trademark "Monopoly" was invalid, and cancelling its registration. In a counterclaim, General Mills sought declaratory and injunctive relief upholding its trademark, and the dismissal of the action. The case was tried without a jury in 1976. The court entered a judgment for General Mills. We reversed and remanded for further consideration of (i) the validity of the trademark, (ii) infringement of the trademark, if it is valid, by Anti-Monopoly, and (iii) state law claims concerning unfair competition and dilution. We also chose to deter consideration of (iv) Anti-Monopoly's defense that General Mills had unclean hands. On remand, after hearing further evidence, the district court again entered a judgment for General Mills.

*The Honorable A. Wallace Tashima, United States District Judge for the Central District of California, sitting by designation.

II. The Standard of Review.

We state the standard of review at the beginning of this opinion, lest we be charged with not applying it because our "acknowledgement [of it] came late in [our] opinion." *Pullman-Standard v. Swint*, 1982, ____ U.S. ____, at ____, 102 S.Ct. 1781, at 1791, 72 L.Ed.2d 66; *id.*, Marshall, J., dissenting, at ____, 102 S.Ct. at 1784-85.

We must apply the standard stated in Rule 52(a), F.R.Civ.P., the case having been tried without a jury: "Findings of fact shall not be set aside unless clearly erroneous, . . ." This has been interpreted to mean that the trial judge's finding of fact cannot be set aside unless, "although there is evidence to support it, the reviewing court on the entire evidence is left with the definite and firm conviction that a mistake has been committed." *Unites States v. United States Gypsum Co.*, 1948, 333 U.S. 364, 395, 68 S.Ct. 525, 542, 92 L.Ed. 746.

The Supreme Court has recently reminded us of the importance of the rule and of our duty to abide by it. *Pullman-Standard, supra*, ____ U.S. at ____, 102 S.Ct. at 1789. In that case, the Court held that the rule applies equally to "ultimate" facts and to "subsidiary" facts. (*Id.*). The Court also held that, when a finding is based on an erroneous view of the law, it may be set aside, but that in such a case the appellate court cannot make a contrary finding, but must remand to the trial court for new findings, to be made in the light of the correct rule of law. (*Id.* at ____, 102 S.Ct. at 1791-92). To this there is one exception: A remand is unnecessary if "the record permits only one resolution of the factual issue." (*Id.*, citing *Kelley v. Southern Pacific Co.*, 1974, 419 U.S. 318, 331-332, 95 S.Ct. 472, 479-80, 42 L.Ed.2d 498.) See also *Inwood Laboratories v. Ives Laboratories*, 1982, ____ U.S. ____, ____, 102 S.Ct. 2182, 2188-90, 73 L.Ed.2d ____, and the concurrence of Justice Rehnquist:

I also assume, correctly I hope, that the Court's discussion of appellate review of trial court findings in bench trials, *ante*, at ____, is limited to cases in which the appellate court has not found the trial court findings to be "clearly erroneous." *United States v. United States Gyp-*

sum Co., 333 U.S. 364 [68 S.Ct. 525, 92 L.Ed. 746] (1948), upon which the Court relies, establishes the authority of a reviewing court to make its own findings, contrary to those of the trial court, where it has determined the latter to be "clearly erroneous." (____ U.S. at ____ ____, 102 S.Ct. at 2193.)

III. *The Burden of Proof.*

The district court ruled that Anti-Monopoly had the burden of showing genericness "by convincing evidence." *Anti-Monopoly II*, 515 F.Supp. at 451-452. The case cited for that proposition, *Feathercombs, Inc. v. Solo Products Corp.*, 2 Cir., 1962, 306 F.2d 251, does not announce such a rule. The only reference to "convincing evidence" is at 306 F.2d 256, and says nothing about burden of proof. There is a presumption in favor of a registered trademark, and the burden of proof is upon one who attacks the mark as generic, but the presumption can be overcome by a showing by a preponderance of the evidence that the term was or has become generic. See *Vuitton et Fils S. A. v. J. Young Enterprises*, 9 Cir., 1981, 644 F.2d 769, 775-776.

IV. *Generic Terms—The Law.*

Our opinion in *Anti-Monopoly I* binds both this court and the district court. There, we set out the law about generic terms and explained how it was to be applied to the particular facts of this case. *Anti-Monopoly I*, 611 F.2d at 300-306. In this opinion, we assume that the reader will be familiar with that opinion. Here, we emphasize what we consider to be its essence. A word used as a trademark is not generic if "the primary significance of the term in the minds of the consuming public is not the product but the producer." *Id.* at 302. "[W]hen a trademark primarily denotes a product, not the product's producer, the trademark is lost." *Id.* at 301. A registered mark is to be cancelled if it has become "the common descriptive name of an article," 15 U.S.C. § 1064(c), and no incontestable right can be acquired in such a mark. 15 U.S.C. § 1065(4). We said "Even if only one producer—Parker Brothers—has ever made

the MONOPOLY game, so that the public necessarily associates the product with that particular producer, the trademark is invalid unless source indication is its primary significance." *Anti-Monopoly I*, 611 F.2d at 302. "It is the source-denoting function which trademark laws protect, and nothing more." *Id.* at 301. "[O]ne competitor will not be permitted to impoverish the language of commerce by preventing his fellows from fairly describing their own goods." *Id.*, quoting *Bada Co. v. Montgomery Ward & Co.*, 9 Cir., 1970, 426 F.2d 8, 11. "[W]hen members of the consuming public use a game name to denote the game itself, and not its producer, the trademark is generic and, therefore, invalid." *Id.* at 304.

V. Was the Term "MONOPOLY" Generic at the Time of Registration?

Anti-Monopoly, Inc. claims that the term "Monopoly" was generic at the time when Parker Brothers registered it. On this question, the trial judge made the following findings:

Plaintiff [Anti-Monopoly] attempted to show at trial that at the time of Parker Brothers' trademark registration, MONOPOLY was already a widely played game known by that name. The evidence introduced to support this contention consists chiefly of isolated and sporadic examples of individuals playing old oilcloth games referred to in some instances as "Monopoly," the "Landlord's Game," or some other variation thereof.

* * * * *

In order to be "generic," the name MONOPOLY, in the minds of the consuming public, must primarily denote product rather than source. It remains unclear how widely played the precursors to modern MONOPOLY were in the 1920s and early '30s. Plaintiff has simply made no showing as to what the public conception of the term was at that juncture or indeed how widely played it actually was. As Clarence [sic] Darrow, and later his successor, Parker Brothers, popularized a specific game they called MONOPOLY, this court cannot find that the trademark when registered denoted "a game" rather than the "game's producer." Because Anti-Monopoly has the bur-

den of showing genericness by convincing evidence, *Feathercombs, Inc. v. Solo Products Corporation*, 306 F.2d 251 (2d Cir. 1962), this finding must be for defendant.

515 F.Supp. at 451-452. The district court found also that Darrow was the inventor of the game (*Id.* at 451) and that the game was "created" by Darrow. *Id.* at 452 n.1. (The quotation marks are in the original.)

We have already held that the district court placed too heavy a burden on Anti-Monopoly, Inc. Moreover, the court's reference to Darrow as the inventor or creator of the game is clearly erroneous. The record shows, as we stated in *Anti-Monopoly I*, that "The game of 'Monopoly' was first played from 1920 to 1932 on various college campuses by a small group of individuals, many of whom were related by blood or marriage. In late 1932 or early 1933 one of these players introduced Charles Darrow to the game, and gave him a handmade game board, rules, and associated equipment. Immediately thereafter Darrow commenced commercially producing and selling 'Monopoly' game equipment." 611 F.2d at 299.

We have re-examined the entire record on appeal. Here is what it shows. At some time between 1904 and 1934, the game of monopoly developed. Early equipment was handmade and copied from earlier handmade equipment. All the witnesses presented by Anti-Monopoly insisted that the game was known as "Monopoly" by all who played it, although in most cases the name did not appear on the board itself. The game was played in Reading, Pennsylvania, sometime between 1911 and 1917, but this date may be a little early. In the early 1920's the game was played in Princeton University, Massachusetts Institute of Technology, Smith College, the University of Pennsylvania, and Haverford College. On occasion the rules were privately printed. The game was offered to, but rejected by, Milton-Bradley, a leading competitor of Parker Brothers. It was played in and around Reading, Pennsylvania from the early 1920's to the early 1930's. It may have been brought there from the University of Pennsylvania. Players in Reading made up and sold some half dozen sets of equipment at Williams

College and the University of Michigan. The game next appeared in Indianapolis, where some players marketed it under the name "Finance." (Players in Reading sold some of those games too.) The game of monopoly was brought to Atlantic City, New Jersey in 1931 or thereabouts. The street names used in the game were then changed to Atlantic City street names. The game was taught to Darrow. He sold it to Parker Brothers in 1935, claiming that it was his own invention. Parker Brothers also bought the Finance game from its owners.

It is true that Darrow, in his correspondence with Parker Brothers, claimed to have invented the game and offered to sign an affidavit stating his story. However, Robert B. M. Barton, the former President of Parker Brothers, who negotiated with Darrow in 1935, testified that he did not believe Darrow's claim. A precursor of monopoly, the Landlord's Game, was patented by Mrs. Maggie Elizabeth Phillips of Washington, D.C. in 1904 and again in 1924. Parker Brothers purchased this game from her in 1934 or thereabouts.

In 1957, Barton, the President of Parker Brothers, in a letter to an inquirer, wrote: "So far as we know The Landlord's Game, invented by Mrs. Elizabeth Maggie Phillips of Washington, D.C., was the basic game for both FINANCE and MONOPOLY. Mrs. Phillips patented her game and we purchased her patent. Mr. Charles Darrow later made many improvements in The Landlord's Game and called his game MONOPOLY. He, too, secured a patent which he assigned to us. Because of the fact that we purchased all three games, it does not make very much difference to us who invented either one of the games. . . ."

The evidence clearly shows that the game of monopoly was played by a small number of people before Darrow learned of it, and that these people called the game "monopoly." It is unclear just how many people played. General Mills offered testimony that it was not widespread throughout the United States. The burden of proof was on Anti-Monopoly to show that the term was generic. We cannot presume that the evidence offered by

Anti-Monopoly is the tip of the iceberg. Thus, we are faced with the following legal question: if a game is known about by a small number of people and they all call it by a particular term, may one member of the group appropriate that name by registering it as a trademark?

Ordinarily, because the trial judge imposed too heavy a burden on Anti-Monopoly, we would be required to remand for new findings made under the proper burden. However, because we have concluded that the evidence, construed most favorably to Anti-Monopoly, does not show that "Monopoly" had become generic before Parker Brothers registered it as its trademark, and because our holding in Part VI, *post*, is dispositive of the case, such a remand is unnecessary here.

When a small number of people use a particular thing and call it by a particular name, one which is not a common descriptive term for the thing, a person may appropriate the name and register it as a trademark. The purpose of the doctrine that generic terms cannot be made trademarks is to prevent the appropriation of a term that is already in wide use among those who are potential purchasers of the thing that the term describes. If those who might purchase the thing know it by a particular name, then to forbid the use of that name by potential producers will erect unwarranted barriers to competition. As we said in *Anti-Monopoly I*, "Trademarks . . . are not properly used as patent substitutes to further or perpetuate product monopolies," 611 F.2d at 300. On the other hand, where, as here, the potential market is nationwide, and where the name is used only by a small number of scattered consumers, appropriation of the name as the trademark of one who produces for that potential market does not restrain competition to a significant degree.

We agree with the trial judge's conclusion that "Monopoly" had not become generic before Parker Brothers registered it as a trademark.

VI. Has "Monopoly" Become Generic Since It Was Registered?

This question is discussed, and the trial court's findings of fact appear in *Monopoly II*, 515 F.Supp. at 452-455. Under the heading "FINDINGS OF FACT," the following appears:

1. The court again finds as fact each fact found in this Opinion as set forth in the foregoing.

2. As a game trademark, MONOPOLY primarily denotes its producer, Parker Brothers, and primarily denoted its producer when registered.

Id. at 455. We consider finding 2 to be one of ultimate fact, and subject to the "clearly erroneous" standard of Rule 52(a). See *Pullman-Standard*, *supra*, ____ U.S. at ____, 102 S.Ct. at 1789.

The district court also said " 'Primary significance' logically implies a hierarchical priority over a competing alternative." 515 F.Supp. at 454. Dictionary definitions are in accord. Funk & Wagnalls' New Standard Dictionary gives "primary 1. First in . . . thought or intention, 2. First in degree, rank or importance, most fundamental, chief. . . ." Webster's New International Dictionary (2d Ed.) gives "1. First in . . . intention; 2. First in . . . importance; chief, principal. . . ." We are not sure what the district court meant by a "competing alternative." To us, this carries some suggestion of "either, or." Yet it is nearly always the case, as the district court recognized, that a trademark will identify both the product and its producer. *Anti-Monopoly II*, 515 F.Supp. at 454. Indeed, its value lies in its identification of the product with its producer.

In its opinion, the district court supports its finding 2 as follows:

The difficulty in this regard arises due to the public's dual usage of the tradename, denoting both product and source. For example, the mark "Ford" to the average consumer denotes *both* car and motor car company. However, to demonstrate "primary significance" it is necessary to show more than a high percentage of the consum-

ing public who recognize MONOPOLY as a brand name (as defendant has done: 63% of those polled recognized MONOPOLY as a "brand name"). It is necessary to show more than a public awareness that Parker Brothers is the sole manufacturer of MONOPOLY (55% correctly identified Parker Brothers in defendant's survey). "Primary significance" logically implies a hierarchical priority over a competing alternative.

Yet the cumulative weight of the evidence does satisfy this court that the primary significance of MONOPOLY in the public's eye is to denote a "Parker Brothers' Game" (*i.e.*, source) in contradistinction to that "popular game of MONOPOLY" (product). Parker Brothers has expended substantial time, energy, and money in promoting and policing their trademark, expending over \$4 million in advertising expenditures. One result of these diligent efforts has been the extraordinary success Parker Brothers has achieved in creating public source awareness. Over 55% of the American public correctly identified Parker Brothers as the producer of the game. *Cf. Selchow & Righter Co. v. Western Printing & Lithographing Co.*, D.C., 47 F.Supp. 322, 326 (court finding it "very evident that any ordinary customer, going into a store, and asking for the game "PARCHEESI" had no information as to who might have manufactured and produced the game.") An even more impressive display of the amount of goodwill which Parker Brothers has imbued through its various games—especially MONOPOLY—is the finding of plaintiffs survey that one out of three MONOPOLY purchasers do so primarily because "they like Parker Brothers' products." Hence, source attribution is a dominant perceived effect of the MONOPOLY trademark. This court cannot say from the facts before it that it is not the "primary significance" of the mark.

Id. at 454-455 (emphasis in the original).

In considering whether these findings, and finding 2, are clearly erroneous, we have in mind an obvious proposition. The word "Monopoly," while not in its ordinary meaning descriptive of the game "Monopoly," is an ordinary English word, and it does describe the objective of the game. This was recognized

in the rules of the game published by Parker Brothers in 1935. They begin with:

BRIEF IDEA OF THE GAME

THE IDEA OF THE GAME is to BUY and RENT or SELL properties so profitably that one becomes the wealthiest player and eventual MONOPOLIST.

A Monopolist has a monopoly. By choosing the word as a trademark, Parker Brothers subjected itself to a considerable risk that the word would become so identified with the game as to be "generic."

In *Anti-Monopoly II* the district court also said this: "Unless the Ninth Circuit standard is meant to foreclose the possibility of trademark protection for any producer of a unique game whose corporate name does not appear in the title of the game (e.g., 'SCRABBLE,' 'TOWER OF BABBLE'), then its test cannot be used here to thwart MONOPOLY's trademark rights." 515 F.Supp. at 455. Nothing in our opinion in *Anti-Monopoly I* even hints at the relevance of whether or not the corporate name of the producer of a game appears in the title of the game, and our opinion does not foreclose the possibility of trademark protection of the name of a game that does not embody the corporate name of its producer. But our opinion does squarely hold as follows: "Even if only one producer—Parker Brothers—has ever made the MONOPOLY game, so that the public necessarily associates the product with that particular producer, the trademark is invalid unless source identification is its primary significance." 611 F.2d at 302.

The district court obviously felt that our opinion in *Anti-Monopoly I* gave Anti-Monopoly an easier task in trying to show that "Monopoly" has become generic than the district court would give. Nevertheless, both we and the district court are bound by our decision in *Anti-Monopoly I*.

We now consider whether finding 2 of the district court is clearly erroneous. We conclude that it is.

As we have seen, the district court relied in part upon the fact that General Mills and its predecessor have spent time, energy, and money in promoting and policing use of the term "Monopoly." That fact, however, is not of itself sufficient to create legally protectable rights. *HMH Publishing Co. v. Brincat*, 9 Cir., 1974, 504 F.2d 713, 719. It is not, of itself, enough that over 55% of the public has come to associate the product, and as a consequence the name by which the product is generally known, with Parker Brothers. *Anti-Monopoly I*, 611 F.2d at 302. See also *Kellogg Co. v. National Biscuit Co.*, 1938, 305 U.S. 111, 118, 59 S.Ct. 109, 113, 83 L.Ed. 73 (the "Shredded Wheat" case). Even if one third of the members of the public who purchased the game did so because they liked Parker Brothers' products, that fact does not show that "Monopoly" is primarily source indicating. The very survey on which the district court placed emphasis by italicizing its result shows that two thirds of the members of the public who purchased the game wanted "Monopoly" and did not care who made it.

The real question is what did Parker Brothers and General Mills get for their money and efforts? To us, the evidence overwhelmingly shows that they very successfully promoted the game of Monopoly, but that in doing it they so successfully promoted "Monopoly" as "the name of the game," that it became generic in the sense in which we use that term in trademark law. We recognize that "there is evidence to support" the trial court's findings, *United States Gypsum Co.*, *supra*, 333 U.S. at 395, 68 S.Ct. at 542, but "on the entire evidence [we are] left with the definite and firm conviction that a mistake has been committed." *Id.*

The principal evidence in the case was in the form of consumer surveys, and to these we now turn.

A. The Brand-name Survey.

General Mills conducted a survey based upon a survey approved by a district court in the "Teflon" case, *E.I. Du Pont de Nemours & Co., v. Yoshida International, Inc.*, E.D.N.Y.,

1975, 393 F.Supp. 502. In the survey conducted by General Mills, people were asked whether "Monopoly" is a "brand-name," and were told: "By *brand* name, I mean a name like *Chevrolet*, which is made by *one* company; by common name, I mean 'automobile,' which is made by a number of different companies." (Emphasis in the original.) The results of this survey had no relevance to the question in this case. Under the survey definition, "Monopoly" would have to be a "brand name" because it is made by only one company. This tells us nothing at all about the *primary* meaning of "Monopoly" in the minds of consumers.

It is true that the witness through whom the survey was introduced testified on direct examination that as a result of it his opinion was that "Monopoly" primarily denotes source or producer. However, on cross-examination and redirect examination it became clear that this witness had done no more than reduplicate the "Teflon" survey (with appropriate substitutions and slight additions) and had no opinion on the relevance of this survey to any issue in the present case. The brand-name survey is not even some evidence to support finding 2; it is no evidence to support it.

B. The "Thermos" Survey.

Anti-Monopoly's first survey was based upon that used in the "Thermos" case, *King-Seeley Thermos Co. v. Alladin Industries, Inc.*, D.Conn., 1962, 207 F.Supp. 9, 20-21, *aff'd*, 2 Cir., 1963, 321 F.2d 577. In Anti-Monopoly's survey people were asked the question: "Are you familiar with business board games of the kind in which players buy, sell, mortgage and trade city streets, utilities and railroads, build houses, collect rents and win by bankrupting all other players, or not"? About 53% said they were. Those people were then asked: "If you were going to buy this kind of game, what would you ask for, that is, what would you tell the sales clerk you wanted"? About 80% said: "Monopoly."

The witness through whom this survey was introduced testified that Anti-Monopoly gave his firm the questions used in the

"Thermos" survey and asked it to conduct a similar one. Anti-Monopoly provided the wording of the questions in the present survey as well. The research firm was responsible for deciding how to reach a sample that would adequately represent the population of the United States. The witness gave no testimony as to the relevance of the results of the survey to the issues in the case.

In one of its briefs, General Mills points out that the survey used in the "Thermos" case was described as "generally corroborative of the court's conclusions drawn from other evidence," and that the district court which decided the "Teflon" case found a "Thermos"-like survey defective because "the design of the questions more often than not [focused] on supplying the inquirer a 'name,' without regard to whether the principal significance of the name supplied was 'its indication of the nature or class of an article, rather than an indication of its origin,' *King-Seeley Thermos Co.*, *supra*, 321 F.2d at 580." *E. I. Du Pont de Nemours & Co.*, *supra*, 393 F.Supp. at 527. Be that as it may, we think that the results of this survey are compelling evidence of a proposition that is also dictated by common sense: an overwhelming proportion of those who are familiar with the game would ask for it by the name "Monopoly."

C. The Motivation Survey.

After the remand to the district court, Anti-Monopoly commissioned a further survey. This survey was based upon the following language from our opinion in *Anti-Monopoly I*:

It may be that when a customer enters a game store and asks for MONOPOLY, he means: "I would like Parker Brothers' version of a real estate trading game, because I like Parker Brothers' products. Thus, I am not interested in board games made by Anti-Monopoly, or anyone other than Parker Brothers." On the other hand, the consumer may mean: "I want a 'Monopoly' game. Don't bother showing me Anti-Monopoly, or EASY MONEY, or backgam-

mon. I am interested in playing the game of Monopoly. I don't much care who makes it."

In the first example, the consumer differentiates between MONOPOLY and other games according to source-particular criteria. In the second example, source is not a consideration. The relevant genus, or product category, varies accordingly. At the urging of Parker Brothers, the district court erred by first defining the genus, and then asking the "primary significance" question about the wrong genus-species dichotomy. The proper mode of analysis is to decide but one question: whether the primary significance of a term is to denote product, or source. In making this determination, the correct genus-species distinction, that is, the correct genericness finding, follows automatically.

611 F.2d at 305-306. The wording of the questions was provided by Dr. Anspach, Anti-Monopoly's president, and by the expert who testified at trial. The expert had studied our first opinion. The survey was designed to ascertain the use of the term "Monopoly" by those who had purchased the game in the past or intended to do so in the near future. It was conducted by telephone. The results were as follows: 92% were aware of "Monopoly," the business board game produced by Parker Brothers. Of that 92%, 62% either had "purchased 'Monopoly' within the last couple of years" or intended to purchase it in the near future. Those people were asked why they had bought or would buy monopoly. The answers exhibited the following pattern: 82% mentioned some aspect of the playing of the game (e.g., that they played it as a kid, it was a family game, it was enjoyable, it was fun to play, it was interesting), 14% mentioned some educational aspect of the game, 7% mentioned the equipment (e.g., saying it was durable) or said they were replacing a set, 1% spoke of price, 34% gave other reasons neutral to the issues in this case (e.g., it was for a gift, the game was a classic, people like the game). The percentages total more than 100 because respondents often gave more than one reason.

The people who said that they had purchased the game within the last couple of years or would purchase it in the near

future were then given a choice of two statements and were asked which best expressed their reasons. Sixty-five percent chose: "I want a 'Monopoly' game primarily because I am interested in playing 'Monopoly,' I don't much care who makes it." Thirty-two percent chose: "I would like Parker Brothers' 'Monopoly' game primarily because I like Parker Brothers' products."

A very similar "intercept survey" was conducted by face to face interviews. The results were very close to those of the telephone survey, but the expert did not claim that the intercept study was validly projectable.

The district court indicated its reasons for rejecting this survey. Insofar as these are findings of fact they must be accorded the deference required by Rule 52(a), and, giving them that deference, we hold them to be clearly erroneous. The district court's major objection to the survey was that it sought an explanation of an actual purchaser's motivation in purchasing the game rather than the primary significance of the word. *Anti-Monopoly, Inc.*, 515 F.Supp. at 453. This objection cannot stand. In our earlier opinion we made it clear that what was relevant was the sense in which a purchaser used the word "Monopoly" when asking for the game by that name. The survey was a reasonable effort to find that out and was modelled closely on what we said in our opinion.

The district court thought that the survey was invalidated by the fact that in the first question people were asked if they were "aware of 'Monopoly,' the business board game *produced* by *Parker Brothers*" (emphasis supplied). It supposed that the presence of the emphasized words somehow inhibited those who might otherwise have responded to later questions that they bought the game because it was produced by Parker Brothers. No evidence or expert opinion was given to support this view and it has no inherent plausibility.

In a footnote the district court said of this survey that "other methodological deficiencies abound." *Id.*, 515 F.Supp. at 453 n.4. One suggested deficiency is that Professor Anspach sug-

gested the language that was used. This is taken to be evidence of "inherent bias." General Mills argues to us that little weight should be given to this survey because it was devised by Dr. Anspach and the survey firm without the mediation of a trademark attorney. We find no merit in these objections.

The district court found that the study was "overwhelmingly prone to errors of subjective grading." *Id.* No doubt it was referring to the process by which responses were categorized as, for example, education, enjoyable, "played it as a kid," or equipment. This process of categorization was not purely mechanical, and did involve some use of human judgment. However, we are not prepared to dismiss every process that includes the operation of human judgment as "overwhelmingly prone to errors of subjective grading." Nor do we find any special reasons to suspect the exercise of judgment in the case of this survey. The categories that were listed strike us as reasonable ones.

Neither the district court nor General Mills claims that there were *in fact* errors of judgment, but only that there might have been. The raw responses to the survey were at one point offered in evidence by Anti-Monopoly, but the offer was withdrawn after General Mills objected, citing F.R. Evidence 705, 1005 and 1006, and the district judge said: "if [counsel for General Mills had] asked for them, he could have received them. If he received them, he could have turned them over to his expert to check them out and see if they give a reliable or non-reliable basis for the opinion. But since he didn't ask for them, I don't think they should go into evidence." Under these circumstances, General Mills cannot now argue that the raw responses were not in fact correctly categorized.

Finally, in the same footnote, the district court suggested that the result that 82% of monopoly purchasers buy for "product related" reasons *cannot be reconciled* with the other result that 32% of actual or potential buyers chose the statement "I would buy Parker Brothers' 'monopoly' game primarily because I like Parker Brothers' products." This is a misconcep-

tion of the survey results. The comparable figure to the 32% is the 65% who chose the statement "I want a 'monopoly' game primarily because I am interested in playing 'monopoly,' I don't much care who makes it." The 82% who gave "product related" answers no doubt had both product related and source related reasons for buying, and, with some, enough to reduce 82% to 65%, the source related reason was stronger when the person had to choose. But it is still true that 65% chose product, rather than source.

We conclude that the findings regarding the survey are clearly erroneous, and that it does support the conclusion that the primary significance of "Monopoly" is product rather than source.

D. The Tide Survey.

General Mills introduced a survey that was intended as a *reductio ad absurdum* of the motivation survey. It showed that when asked to supply a reason for buying Tide about 60% of those who might buy it now or in the future said that they would buy Tide because it does a good job. However, when asked "Would you buy Tide primarily because you like Procter and Gamble's products, or primarily because you like Tide detergent?" about 68% indicated the latter reason. There were various respects in which this survey was different from the motivation survey used by Anti-Monopoly, but we shall not suddenly attach great importance to technical considerations. We suspect that these results tend to show that the general public regards "Tide" as the name of a particular detergent, having particular qualities, rather than as one producer's brand name for the same detergent which is available from a variety of sources. We do not know whether the general public thinks this, or if it does, is correct in thinking this, or whether Procter and Gamble intend them to think it. If the general public does think this, and if the test formulated in *Anti-Monopoly I* could be mechanically extended to the very different subject of detergents, then Procter and Gamble might have cause for alarm. The issue is not before us today. The motiva-

tion survey conducted by Anti-Monopoly, Inc. was in accordance with the views we expressed in *Anti-Monopoly I*. The results in the *Tide* Survey are of no relevance to this case.

E. Conclusion.

We hold that Finding 2 is clearly erroneous because, although there is some evidence to support it, our examination of the evidence leaves us with the definite and firm conviction that a mistake has been committed. We hold that, as applied to a board game, the word "Monopoly" has become "generic," and the registration of it as a trademark is no longer valid.

VII. Other Issues.

The district court must determine whether Anti-Monopoly is taking reasonable care to inform the public of the source of its product, and if it finds that this is not so may enjoin the sale of anti-monopoly save upon appropriate conditions. *Anti-Monopoly I*, 611 F.2d at 307.

We remand the case. The district court shall enter judgment for Anti-Monopoly, Inc. on the question of trademark validity and take whatever actions are necessary and consistent with this opinion.

APPENDIX B

**ANTI-MONOPOLY, INC.,
a California Corporation, Plaintiff,**

v.

**GENERAL MILLS FUN GROUP, INC.,
a Nevada Corporation, Defendant-Counterclaimant.**

No. C-74-0529 SW.

**United States District Court,
N. D. California.**

May 11, 1981.

Plaintiff, a corporation engaged in the business of selling a board game called "Antimonopoly," brought action to challenge validity and enforceability of defendant's "Monopoly" trademark. Judgment declaring the "Monopoly" mark valid and enforceable was reversed, 611 F.2d 296, and case was remanded for redetermination of trademark validity issue. On remand, the District Court, Spencer Williams, J., held that: (1) absent evidence that the primary significance of "Monopoly" in the public's eye was to denote a product in contradistinction to the producer, the "Monopoly" trademark was not invalid so as to require its cancellation either because the word "Monopoly" was at the time of its registration, or had since become, the generic or common descriptive name of article or a game, and (2) the use of the name "Antimonopoly" as the title of plaintiff's game and otherwise in connection with that game created a strong likelihood of confusion in the public mind and was such as to constitute an infringement of the defendant's "Monopoly" trademark.

Judgment for the defendant.

Robert S. Daggett, Brobeck, Phleger & Harrison, San Francisco, Cal., Oliver P. Howes, Jr., Nims, Howes, Collison & Isner, New York City, for defendant and counterclaimant General Mills Fun Group, Inc.

Carl E. Person, New York City, John H. Denton, Oakland, Cal., for plaintiff.

OPINION AND ORDER ON REMAND

SPENCER WILLIAMS, District Judge.

Plaintiff Anti-Monopoly, Inc., a California corporation which has engaged in the business of selling a board game it calls ANTI-MONOPOLY, brought this action challenging the validity and enforceability of defendant's MONOPOLY game trademark. After a trial before this court, a judgment was granted declaring the MONOPOLY trademark valid and enforceable, and that Anti-Monopoly's use of the name ANTI-MONOPOLY constituted an infringement thereof. On appeal to the Ninth Circuit Court of Appeals, the appellate court reversed and remanded to this court for a redetermination of the trademark validity issue. *Anti-Monopoly, Inc. v. General Mills Fun Group*, 611 F.2d 296 (9th Cir. 1979). In so doing, the Court of Appeals invited this court to entertain new evidence bearing on the validity issue, specifically the consuming public's perception and usage of the term "MONOPOLY."

Accordingly, the court received and considered proposals on both sides regarding the scope and content of further post-remand proceedings. On July 11 and July 18, 1980, the court conducted further evidentiary hearings. At the hearing the court received documentary evidence and the testimony of four witnesses. The court received and considered written arguments of counsel on the law and facts and, after the hearing closed and on July 22, 1980, the court heard and considered further oral argument of counsel. Having carefully considered the oral and documentary evidence received both at the trial and at the hearings after remand, and the oral and written arguments of counsel, and having observed the demeanor of the witnesses, the court now finds the following:

I

FACTUAL BACKGROUND

According to its creator, Ralph Anspach, a professor of economics, the primary focus of ANTI-MONOPOLY is to emphasize and support the values of the competitive private enterprise system. The game was first created in 1971, Anspach attempting unsuccessfully to market it under the name "BUST THE TRUST." Professor Anspach decided the problem lay in the name, which he changed to ANTI-MONOPOLY, thus achieving a notable market success. The game, as packaged, bears remarkable similarities to MONOPOLY in terms of box size, lettering, board configuration and design. Since the game was first sold in December 1973, plaintiff has sold approximately 419,000 games, taking in close to one million dollars.

Defendant and counterclaimant General Mills Fun Group, Inc. is a Nevada corporation engaged in business in California and elsewhere throughout the world with its principal place of business in Minnesota. Parker Brothers is an unincorporated division of defendant engaged in the business, among others, of manufacturing and selling games. Parker Brothers is the owner of the registered trademark MONOPOLY, No. 326,723 which was registered with the United States Patent and Trademark Office on July 30, 1935 and No. 338,834 registered on September 15, 1936. Parker Brothers' patent for MONOPOLY, issued December 31, 1935, expired in 1952.

For over forty-five years, Parker Brothers has been the sole producer of the real estate trading game known to the public as MONOPOLY. Since 1935, Parker Brothers and its predecessor have sold 80 million sets of the MONOPOLY game in the United States for \$125 million. In the past ten years it has sold 24 million sets, and since 1973 its sales have approximated 80,000 sets annually. Parker Brothers has diligently and consistently promoted and policed its MONOPOLY mark, expending \$4 million in publicizing the trademark since its first use, \$2.1 million in publicizing the mark in the last ten years,

and \$234,000 in publicizing expense in 1976. Defendant has enjoyed exclusive use of its MONOPOLY trademark for all of this period, and the mark has not been used by anyone else except plaintiff for board games or otherwise except under licenses and other permission granted by Parker Brothers.

II

Three principal issues are raised on remand. First, and foremost, the question as to the validity of the MONOPOLY trademark has been remanded for redetermination in light of the Ninth Circuit's test explicitly set forth in *Anti-Monopoly*, *supra*, 611 F.2d at 306, to wit: "whether the primary significance of . . . [the term, MONOPOLY] is to denote *product or source*." Second, if the MONOPOLY mark is held valid, does Anti-Monopoly's use thereof constitute an infringement? And third, irrespective of the trademark validity issue, whether Anti-Monopoly's exploitation of similar "competition factors" with the MONOPOLY game produced by Parker Brothers constitutes unfair competition under state law.

III

A. Validity Of Monopoly Trademark

The thrust of plaintiff's argument is that the MONOPOLY trademark is invalid and should be cancelled either because (1) MONOPOLY was at the time of its registration, or has since become, the generic or common descriptive name of an article, or in this case, a game, or (2) the trademark was acquired through fraudulent means. Under 15 U.S.C. § 1064(c) a trademark may be cancelled if it becomes the common descriptive name of an article or substance or was was obtained fraudulently. Unless one of these or certain other specified grounds exist, the right to use a trademark which has been in continuous use for five consecutive years after registration becomes incontestable and is conclusive evidence of the registrant's sole right to use the mark in commerce. 15 U.S.C. §§ 1065 and 1115(b).

After the initial trial, this court found against plaintiff on the fraud allegation, and plaintiff has not raised that issue on appeal. The remaining issue involves the question of "genericness" of the MONOPOLY mark.

1. *Genericness At Time Of Registration.*

Plaintiff attempted to show at trial that at the time of Parker Brothers' trademark registration, MONOPOLY was already a widely played game known by that name. The evidence introduced to support this contention consists chiefly of isolated and sporadic examples of individuals playing old oilcloth games referred to in some instances as "Monopoly," the "Landlord's Game," or some other variation thereof. The Ninth Circuit found it "significant . . . that the original patent application in August, 1935 divulged that 'the game is known on the market as Monopoly.' This usage, of course, predated any association of Parker Brothers with the game." 611 F.2d at 306, n.7.

This court finds the evidence to the contrary. Parker Brothers' MONOPOLY had been registered by trademark in July of 1935, one month before the patent application was filed. At the date of the patent application reference, thus, Parker Brothers had a clear association with MONOPOLY. Moreover, it must be recalled that MONOPOLY's inventor, Mr. Clarence Darrow, assigned his rights in the game to Parker Brothers in March, 1935.

In order to be "generic," the name MONOPOLY, in the minds of the consuming public, must primarily denote product rather than source. It remains unclear how widely played the precursors to modern MONOPOLY were in the 1920s and early '30s. Plaintiff has simply made no showing as to what the public's conception of the term was at that juncture or indeed how widely played it actually was. As Clarence Darrow, and later his successor, Parker Brothers, popularized a specific game they called MONOPOLY, this court cannot find that the trademark when registered denoted "a game" rather than the "game's producer." Because Anti-Monopoly has the burden of

showing genericness by convincing evidence, *Feathercombs, Inc. v. Solo Products Corporation*, 306 F.2d 251 (2d Cir. 1962), this finding must be for defendant.

2. Genericness Since Registration.

The primary issue before this court on remand relates to plaintiff's assertion that the MONOPOLY mark became generic in contemporary usage over time, so that current usage of the term "MONOPOLY" by consumers refers to the game and not the producer. In *Anti-Monopoly*, the Ninth Circuit determined that this court had employed the wrong test in determining genericness (by first defining the "genus" as "all board games involving real estate trading"). 611 F.2d at 305. As a result, this court "thus obscured the basic issue: whether MONOPOLY primarily describes a product, or a producer." *Id.*

This error transpired, the Ninth Circuit observed, because this court had "lumped together in the species category" the two alternatives between which the proper test was designed to discern: attribution to either *product or producer*. *Id.* Only if a trademark's "primary significance" is to denote the *source or producer*, as opposed to denoting the product itself, can the trademark be sustained. *Kellogg Co. v. National Biscuit Co.*, 305 U.S. 111, 118, 59 S.Ct. 109, 113, 83 L.Ed. 73 (1938); *Anti-Monopoly, supra*, 611 F.2d at 306. As Judge Learned Hand made clear in *Bayer Co., Inc. v. United Drug Co.*, 272 F. 505, 509 (S.D.N.Y. 1921), the test relates to the average consumer's comprehension of the mark: "What do the buyers understand by the word for whose use the parties are contending?"

In a normal context this test is implemented by ascertaining whether a mark denotes a "particular producer's goods or services . . . [or whether] the word is identified with all such goods or services, regardless of their suppliers." *Surgicenters of America v. Medical Dental Surgeries*, 601 F.2d 1011, 1016 (9th Cir. 1979). This is a straightforward task in markets

where several producers manufacture the generic item in question. In this case, the analysis is complicated by the fact that Parker Brothers has been, and remains, the only producer to manufacture MONOPOLY since it acquired the rights to do so from MONOPOLY's creator, Mr. Clarence Darrow, in 1935.¹ The Ninth Circuit recognized this, explicitly applying its test in the one producer situation, so that even where "the public necessarily associates the product with that particular producer, the trademark is invalid *unless* source identification is its primary significance." 611 F.2d at 302.

However succinctly stated, the Ninth Circuit standard, unless it is intended to effectively foreclose trademark protection for any single producer of a unique game—*e.g.*, SCRABBLE²

¹ This case is sharply contrasted with both *Selchow & Righter Co. v. Western Printing & Lithographing Co.*, 47 F. Supp. 322, 326 (E.D. Wis. 1942), *aff'd*, 142 F.2d 707, 709 (7th Cir.), *cert. denied*, 323 U.S. 735, 65 S.Ct. 75, 89 L.Ed 589 (1944), and *Golomb v. Wadsworth*, 592 F.2d 1184, 201 U.S.P.Q. 200, 201 (1979). In *Selchow* the court found that other manufacturers were indeed also producing PARCHEESI (but under a different name), and that the origins of the game could be traced back centuries as a royal game of India. 142 F.2d at 708. Thus, the parallels to chess, checkers, backgammon and other venerated international games of unknown origin are far closer than here. MONOPOLY, this court has found, was "created" by Mr. Clarence Darrow and acquired by Parker Brothers.

Similarly, in *Golomb*, the Court of Customs and Patent Appeals noted that the asserted trademarks, "POLYOMINOES" and "PENTOMINOES," had actually received public currency before the registrant had created his game titles ("POLYMINOES" reported to be widely popular three years before registrant claimed he brought them to the attention of the public.) 592 F.2d at 1186. This court has rejected a similar finding here.

² In *Selchow & Righter Co. v. McGraw-Hill Book Co.*, 580 F.2d 25 (2d Cir. 1978), a preliminary injunction was granted against a possible infringement of the trademark SCRABBLE, a game solely produced by Selchow & Righter. The court held that the genericness question of SCRABBLE "is fairly open to proof." 580 F.2d at 28.

or TOWER OF BABBLE³—which this court believes it is not, it must be applied to the facts with some degree of care. In the case of the single producer of a unique item, it is a difficult and delicate task to separate product from source characteristics as they appear in the consumer's mind.

The parties presented additional survey evidence to this court which purport to make this fine distinction. The Anti-Monopoly survey, which was supposedly based on a specific guiding language in the Ninth Circuit's opinion, misconstrued the nature of the inquiry mandated by the Ninth Circuit in addition to manifesting a number of serious methodological flaws. The test set forth in that opinion requires a determination of the "primary significance" of the mark "MONOPOLY" in the average consumer's mind. It *does not* seek an explanation of an actual purchaser's motivation for purchasing the game. The two are not the same.

The Anti-Monopoly survey was restricted to persons who had purchased MONOPOLY within the past few years or who intended to purchase MONOPOLY in the near future. The survey asked three questions: (1) "Are you aware of 'MONOPOLY,' the business board game produced by Parker Brothers?", (2) "Have you purchased MONOPOLY within the last couple of years?", or "Is it possible that you would buy 'MONOPOLY' now or in the near future either for yourself, as a replacement, or as a gift?", and (3) in the case of those who said they bought MONOPOLY within the last couple of years, "Why did you buy 'MONOPOLY'?", and in the case of persons stating the possibility of future purchase in the words of the question put, "Why would you buy 'MONOPOLY'?"

³ In *Dawn v. Sterling Drug Co.*, 319 F. Supp. 358 (C.D. Cal. 1970), the court granted trademark protection (injunction) for the unique game title TOWER OF BABBLE against its use as a slogan for Bayer Aspirin.

Defendants contend that by its design, plaintiff's study avoids the very issue of this inquiry:

The Anti-Monopoly survey states *in the first question* that MONOPOLY is a "business board game produced by Parker Brothers." The appellate opinion directs this Court to find whether or not MONOPOLY has a primary source identification. The Anti-Monopoly survey was not designed to gather source-related data but, instead, to assemble a mass of mixed, heterogeneous data from which to argue to this Court that the public purchases MONOPOLY for reasons primarily unrelated to source. The design accomplishes this, as we have seen, by including Parker Brothers as the name of the producer of MONOPOLY in the first question, and in this way *brushes aside as an assumed fact, the very fact on which the Ninth Circuit has mandated further inquiry.* [Emphasis added]

The court is in complete accord with this assessment of plaintiff's study.⁴ Nevertheless, when given a specific choice between source and product attribution, plaintiff's own study finds that one in three consumers purchased (or would purchase) "MONOPOLY primarily because they like Parker Brothers' products."⁵ Of course, while it is significant that such

⁴ Other methodological deficiencies abound. The court finds that the design of the study was inherently biased towards a favorable outcome for Anti-Monopoly, including intimations that Prof. Anspach suggested the language which was used. Secondly, the scale which deduced the statistic that 82% of the MONOPOLY purchasers buy for "product related" reasons is: (1) overwhelmingly prone to errors of subjective grading, and (b) cannot be reconciled with the alternate finding that one of three buyers do so out of affection for Parker Brothers' products. The court rejects plaintiff's study.

⁵ Following the "open-end" questions, respondents were asked a structured question: "Which of these two statements best expresses your meaning when you ask [to purchase] . . . MONOPOLY in a store?" Choices: "(1) I would like Parker Brothers' 'MONOPOLY' game primarily because I like Parker Brothers' products." or "(2) I

a large percentage of MONOPOLY users purchased their games because of their affection for Parker Brothers' products, ascertaining the *motive* for a consumer's purchase is not the determination envisioned by the Ninth Circuit test. One fact which this court need not ignore is that most consumers, indeed an overwhelming proportion thereof, purchase any given product not out of goodwill or affection for the producer, but because they want or favor the product. Only a shareholder of the General Mills Fun Group (Parker Brothers' parent) could reasonably be expected to purchase a Parker Brothers' game out of an affection or goodwill for the corporation. Moreover, the "primary significance" of a trademark corresponds more to the recognition of a mark as the brand name of a particular producer than it does to a reason for purchasing. Consumers purchase games because they wish to play the games they seek, yet this fact alone should not serve to invalidate an otherwise legitimate trademark. The makers of MONOPOLY should not be penalized simply because they

want 'MONOPOLY' game primarily because I am interested in playing 'MONOPOLY.' I don't much care who makes it."

These responses were pulled, verbatim, from an illustration in the text of the appellate court opinion. 611 F.2d at 305-306. Plaintiffs expert, not a trained attorney, misconstrued the purpose of the illustration, which was to illustrate a point, *not* to suggest language for a scientific study.

This weakness of plaintiff's study becomes most convincing when one considers defendant's TIDE survey. The TIDE survey showed that when TIDE is surveyed on a substantially identical design, 67.7% of its purchasers report that they buy (or would buy) TIDE because they simply like TIDE, 6.7% buy (or would buy) TIDE for some other reason, 4.8% don't know, and only 12.8% report that they buy (or would buy) TIDE because of their affection for Proctor & Gamble products. Yet it seems beyond argument that TIDE is a valid trademark. But if TIDE were the *only detergent* available, would this mean that TIDE could not protect its trade name?

have created a unique product which they have actively and diligently promoted.

The dispositive issue hence is *not* why consumers buy MONOPOLY sets, but rather, what is their *understanding* of the name MONOPOLY? Does it primarily denote *product* or *producer*? In a single producer case (there is no other producer of MONOPOLY) it will not suffice to analyze source-related as opposed to source-irrelevant characteristics because most source related characteristics (*e.g.*, price, style, durability, quality, etc.) are purely relative terms, implying a comparison with product substitutes, or near substitutes. Here there are no substitutes; there is only MONOPOLY. Accordingly, the Ninth Circuit's mandate that this court divine the "primary significance" of that term in the consumer's mind must necessarily involve subtle inferences into the complex, convoluted mind of the American consumer—an unenviable task.

The difficulty in this regard arises due to the public's dual usage of the tradename, denoting both product and source. For example, the mark "Ford" to the average consumer denotes *both* car and motor car company. However, to demonstrate "primary significance" it is necessary to show more than a high percentage of the consuming public who recognize MONOPOLY as a brand name (as defendant has done: 63% of those polled recognized MONOPOLY as a "brand name"). It is necessary to show more than a public awareness that Parker Brothers is the sole manufacturer of MONOPOLY (55% correctly identified Parker Brothers in defendant's survey). "Primary significance" logically implies a hierarchical priority over a competing alternative.

Yet the cumulative weight of the evidence does satisfy this court that the primary significance of MONOPOLY in the public's eye is to denote a "Parker Brothers' Game" (*i.e.*, source) in contradistinction to that "popular game of MONOPOLY" (product). Parker Brothers has expended substantial time, energy, and money in promoting and policing their trademark, expending over \$4 million in advertising ex-

penditures. One result of these diligent efforts has been the extraordinary success Parkers Brothers has achieved in creating public source awareness. Over 55% of the American public correctly identified Parker Brothers as the producer of the game. *Cf. Selchow & Righter Co. v. Western Printing & Lithographing Co.*, D.C., 47 F.Supp. 322, 326 (court finding it "very evident that any ordinary customer, going into a store, and asking for the game "PARCHESSI" has no information as to who might have manufactured and produced the game.") An even more impressive display of the amount of goodwill which Parker Brothers has imbued throughout its various games—especially MONOPOLY—is *the finding of plaintiff's survey that one out of three MONOPOLY purchasers do so primarily because "they like Parker Brothers' products."* Hence, source attribution is a dominant perceived effect of the MONOPOLY trademark. This court cannot say from the facts before it that it is not the "primary significance" of the mark. Unless the Ninth Circuit standard is meant to foreclose the possibility of trademark protection for any producer of a unique game whose corporate name does not appear in the title of the game (*e.g.*, "SCRABBLE," "TOWER OF BABBLE"), then its test cannot be used here to thwart MONOPOLY's trademark rights.

IV

FINDINGS OF FACT

1. The court again finds as fact each fact found in this Opinion as set forth in the foregoing.

2. As a game trademark, MONOPOLY primarily denotes its producer, Parker Brothers, and primarily denoted its producer when registered.

3. The parties have offered no further evidence on the issue of trademark infringement. After further considering the matter in light of the preceding finding of fact, the court again finds that use of the name *ANTI-MONOPOLY* as the title of plaintiff's game and otherwise in connection with that game

has created and creates a strong likelihood of confusion in the public mind.

4. The parties also have offered no further evidence on Parker Brothers' state law claims of unfair competition and trademark dilution or plaintiff's defense of unclean hands. After further considering all of the evidence in the light of Finding 2 above, the court again finds, for purposes of the state law claims, that there is a strong likelihood that the public will be deceived as to the source of the ANTI-MONOPOLY game due to confusion with the mark MONOPOLY; that plaintiff's name therefore dilutes Parker Brothers' trademark MONOPOLY; and that Parker Brothers has neither abused the MONOPOLY trademark nor committed any fraud in the acquisition of the original trademark.

5. The court further finds as fact anything set out below in its conclusions of law which is finding of fact or a mixed finding of fact and conclusion of law.

On the foregoing further Findings of Fact, the court now makes and enters the following:

V

CONCLUSIONS OF LAW

1. The court incorporates by this reference each Conclusion of Law contained in its Opinion and Order filed and entered April 4, 1977, except that the court has reconsidered in the light of the opinion of the Court of Appeals plaintiff's claim that the MONOPOLY trademark was generic when registered or has become so, 15 U.S.C. §§ 1065(4) and 1115(b)(2), as against the claim of defendant and counter-claimant that its right to exclusive use of the MONOPOLY mark is incontestable by reason of the same statutory provisions. After such reconsideration, which has included the matters embraced in Finding 2 above, the court again concludes that the MONOPOLY trademark is in all respects valid and enforceable and that use by plaintiff of the title ANTI-

MONOPOLY for its game infringes the **MONOPOLY** trademark.

2. The court further concludes as law anything found as fact in the foregoing Findings of Fact which is either a conclusion of law or a mixed conclusion of law and finding of fact.

The court has this day entered its final judgment in conformity herewith.

APPENDIX C

ANTI-MONOPOLY, INC.,
Plaintiff-Appellant,

v.

GENERAL MILLS FUN GROUP, *et. al.*,
Defendant-Appellees.

No. 77-2302.

United States Court of Appeals,
Ninth Circuit.

Dec. 20, 1979.

Manufacturer of the game ANTI-MONOPOLY brought suit challenging the validity and enforceability of defendant's MONOPOLY game trademark. The United States District Court for the Northern District of California, Spencer Williams, J., rendered judgment for defendant, and plaintiff appealed. The Court of Appeals, Wallace, Circuit Judge, held that the district court erred in focusing on whether the primary significance of MONOPOLY is to denote "all board games involving real estate trading" or instead a "particular and very popular board game produced by a single company"; accordingly, the case had to be remanded for a determination of whether consumers use the term MONOPOLY primarily to denote the product, or instead to denote its producer.

Reversed and remanded.

Robert B. Chickering (argued) of Warren Chickering & Grunewald, and John H. Denton, Oakland, Cal., for appellant Anti-Monopoly, Inc.

Robert S. Daggett (argued) of Brobeck, Phleger & Harrison, San Francisco, Cal., and Oliver P. Howes of Nims, Howes, Collison & Isner, New York City, for defendants-appellees.

Appeal from the United States District Court for the Northern District of California.

Before WALLACE and SNEED, Circuit Judges and BLUMENFELD,* District Judge.

WALLACE, Circuit Judge:

Anti-Monopoly, Inc. (Anti-Monopoly) appeals from a district court judgment declaring that the MONOPOLY trademark of Parker Brothers, an unincorporated division of General Mills Fund Group, Inc., is valid and enforceable, and that Anti-Monopoly's use of the name "Anti-Monopoly" as the title of its own game constitutes an infringement thereof. Anti-Monopoly also appeals from the district court's issuance of a permanent injunction which, among other things, forbids Anti-Monopoly from using the words ANTI-MONOPOLY as a trademark, or trade or corporate name, and which requires Anti-Monopoly to submit all offending materials for destruction. We reverse and remand the case to the district court for further findings concerning the validity and enforceability of the MONOPOLY trademark.

I

The game of "Monopoly" was first played from 1920 to 1932 on various college campuses by a small group of individuals, many of whom were related by blood or marriage. In late 1932 or early 1933 one of these players introduced Charles Darrow to the game, and gave him a handmade game board, rules and associated equipment. Immediately thereafter Darrow commenced commercially producing and selling "Monopoly" game equipment.

In October 1933, Darrow obtained a copyright on some part of the "Monopoly" game equipment, probably the rules. In March 1935, Parker Brothers acquired all of Darrow's rights to

*Honorable M. Joseph Blumenfeld, United States District Judge, District of Connecticut, sitting by designation.

the "Monopoly" game and game equipment. In August 1935, Darrow applied for a patent. The application stated:

This invention relates to board game apparatus and is intended primarily to provide a game of barter, thus invoking trading and bargaining.

* * * * *

The board as a whole is indicated . . . in Fig. 1. Inasmuch as the game is known upon the market as Monopoly, that game is indicated [in the middle of the board as pictured in fig. 1].

The patent issued on December 31, 1935 and was promptly assigned to Parker Brothers. It expired 17 years later, in 1952.

Parker Brothers registered the word MONOPOLY as a trademark in 1935 and 1936. It remains the owner of trademark registration numbers 326, 723, issued July 30, 1935, and 38,834, issued September 15, 1936, for the MONOPOLY trademark.

During the years 1935 to 1952, Parker Brothers relied primarily on its patents to protect its monopoly of "Monopoly." When the patent expired, however, Parker Brothers began to concentrate on preserving the value of its MONOPOLY trademark. Parker Brothers eliminated references in the game rules to becoming the "monopolist." It also created the "generic" expression "real estate trading game equipment," which it used in conjunction with the MONOPOLY trademark on the game carton and in advertisements. Parker Brothers apparently hoped by these steps to keep the word MONOPOLY from falling into the public domain as a "generic" term. The major question which we reach on appeal is whether Parker Brothers succeeded.

In December 1973, Anti-Monopoly, headed by its president, Ralph Anspach, first marketed "Anti-Monopoly," a game which Anspach created. Anspach asserts that the game is designed to emphasize the values of the competitive private enterprise system. At first he intended to market his game

under the title, "Bust the Trust, The Anti-Monopoly game," but he later decided that "Anti-Monopoly" would be a better title. The United States Patent and Trademark Office rejected Anti-Monopoly's 1973 trademark application because of the possibility of confusion, mistake, or deception. For reasons of its own, Anti-Monopoly chose not to pursue this application any further.

Anti-Monopoly, which has sold over 400,000 of its games, sought a declaratory judgment that the MONOPOLY trademark is invalid and that its use of the name "Anti-Monopoly" does not infringe the MONOPOLY mark. In addition, Anti-Monopoly sought to have the MONOPOLY trademark cancelled. Parker Brothers counterclaimed for the declaratory and injunctive relief which the district court granted, and from which Anti-Monopoly now appeals.

Anti-Monopoly raises four principal contentions in its appeal: (1) That for a variety of reasons, the district court erred when it concluded that the MONOPOLY trademark had not been invalid originally or since become invalid; (2) That the district court erred when it found that Anti-Monopoly had infringed the MONOPOLY trademark; (3) That the district court erred because it did not find that the equitable defense of "unclean hands" barred injunctive relief in favor of Parker Brothers; and (4) That the district court erred when it rejected Anti-Monopoly's demand for a jury trial. We consider each of these contentions in turn.

II

The invalidity issue is not one of easy resolution. Both parties agree that Parker Brothers' MONOPOLY trademark has become incontestable unless: (1) MONOPOLY was, when Parker Brothers first registered the mark, or has since become, the common descriptive name ("generic" name) of the registered article, 15 U.S.C. §§ 1064(c), 1065(4); or (2) Parker Brothers obtained its registration fraudulently, 15 U.S.C. § 1064(c). During final argument in the district court, how-

ever, counsel for Anti-Monopoly conceded that he had failed to prove fraud. Thus, Anti-Monopoly's sole remaining contention regarding the invalidity of the MONOPOLY trademark is that the term Monopoly was originally or has become the generic name for an article.

A. The Genericness Doctrine

The United States encourages invention and development of new products, ideas, and systems by granting, pursuant to the patent laws, limited monopolies over the manufacture and sale of such products. See U.S. Const. art. I, § 8, cl. 8; 35 U.S.C. § 1 *et seq.* But patent protection is a sharply confined exception to a general "principle of free competition in business ideas and intellectual creations." 1 J. McCarthy Trademarks and Unfair Competition, § 1:1 at 2 (1973).¹ Thus, when a patent expires, the idea, system, or product passes into the public domain and may be freely copied, so long as the copyist uses reasonable care to prevent the public from misidentifying his product as that of the original producer. See *Kellogg Co. v. National Biscuit Co.*, 305 U.S. 111, 117-19, 59 S.Ct. 109, 83 L.Ed. 73 (1938); *Saxlehner v. Wagner*, 216 U.S. 375, 381, 30 S.Ct. 298, 54 L.Ed. 525 (1910); *Singer Mfg. Co. v. June Mfg. Co.*, 163 U.S. 169, 185-86, 16 S.Ct. 1002, 41 L.Ed. 118 (1896).

Trademarks, see 15 U.S.C. § 1051 *et seq.*, are not properly used as patent substitutes to further or perpetuate product

¹ The copyright laws are not involved in this case because business ideas, such as a game concept, cannot be copyrighted, see 17 U.S.C. § 102(b); *Baker v. Selden*, 101 U.S. 99, 25 L.Ed. 841 (1880). This copyright rule is analogous to the genericness doctrine of trademark law, however, in that it is designed to prevent extension of product monopolization beyond the 17 years protected by a patent. *Id.* at 102-03.

monopolies. *Smith v. Chanel, Inc.*, 402 F.2d 562, 566-69 (9th Cir. 1968). Rather, trademark policies are designed

(1) to protect consumers from being misled as to the enterprise, or enterprises, from which the goods or services emanate or with which they are associated; (2) to prevent an impairment of the value of the enterprise which owns the trademark; and (3) to achieve these ends in a manner consistent with the objectives of free competition.

HMH Publishing Co. v. Brincat, 504 F.2d 713, 716 (9th Cir. 1974). Buyers may especially trust the constancy of quality emanating from a particular producer. Trademarks enable producers to capitalize on such goodwill, by providing a sure method of identifying a particular producer's goods to the public. Used as a means of identifying the trademark owner's products, a trademark "makes effective competition possible in a complex, impersonal marketplace by providing a means through which the consumer can identify products which please him and reward the producer with continued patronage." *Smith v. Chanel, Inc.*, *supra*, 402 F.2d at 566.

Moreover, once this good will is established, trademarks become an *extremely important medium of advertisement*. Provided that the public continues to understand the trademark term *primarily as a source identifier*, the particular producer is *exclusively entitled to benefits flowing from the mark's sales appeal*.²

Thus, "[t]he trademark can be a potent weapon in the competitive contest, for it guarantees, identifies, and sells the article to which it refers." 3 R. Callman, *Unfair Competition*,

²The owner of a widely recognized trademark cannot, however, prevent a competitor from referring to the owner's mark in the context of comparative advertising. This is so despite the benefits which the competitor reaps from the product recognition engendered by the owner's popularization, through expensive advertising, of the mark. *E.g. Smith v. Chanel, Inc.*, 402 F.2d 562 (9th Cir. 1968).

Trademarks, and Monopolies § 65 at 3 (1969). But all of these legitimate trademark purposes derive ultimately from the mark's representation of a single fact: the product's source. It is the source-denoting function which trademark laws protect, and nothing more. See *Smith v. Chanel, Inc.*, *supra*, 402 F.2d at 566-69. The trademark is misused if it serves to limit competition in the manufacture and sales of a product. *Id.* That is the special province of the limited monopolies provided pursuant to the patent laws.

The genericness doctrine in trademark law is designed to prevent such anti-competitive misuse of trademarks. At its simplest, the doctrine states that when a trademark primarily denotes a product, not the product's producer, the trademark is lost. As we have stated, "one competitor will not be permitted to impoverish the language of commerce by preventing his fellows from fairly describing their own goods." *Bada Co. v. Montgomery Ward & Co.*, 426 F.2d 8, 11 (9th Cir.), *cert. denied*, 400 U.S. 916, 91 S.Ct. 174, 27 L.Ed.2d 155 (1970). Thus, the Lanham Act, enacted in 1947, provides for the cancellation of a trademark if "at any time [it] becomes the common descriptive name of an article or substance." 15 U.S.C. § 1064(c). Further, "no incontestable right shall be acquired in a mark which is the common descriptive name of any article or substance, patented or otherwise." 15 U.S.C. § 1065(4). Courts equate "common descriptive name," as used in the statute, with the shorthand expression "generic term" See, e.g., *Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d 4, 9 (2d Cir. 1976).

The operation of genericness doctrine is well illustrated by the *Shredded Wheat* case, *Kellogg Co. v. National Biscuit Co.*, *supra*, 305 U.S. 111, 59 S.Ct. 109, 83 L.Ed. 73. National Biscuit, and its predecessor, Perky, the inventor of a product which it called "Shredded Wheat," had enjoyed a patent on the manufacture of the so-named shredded, pillow-shaped, wheat biscuits from 1895 to 1912. After the patent expired, Kellogg began to manufacture an identical biscuit which it also called "Shredded Wheat." National obtained an injunction from a

district court prohibiting Kellogg's use of the trade name "Shredded Wheat." The Supreme Court reversed. It stated that once the patent on "Shredded Wheat" had expired, the right to make the product passed into the public domain. 305 U.S. at 118, 59 S.Ct. 109. It said further: As Kellogg Company had the right to make the article, it had, also, the right to use the term by which the public knows it." *Id.* at 116-17, 59 S.Ct. at 113.

National contended that even if the public did use the term "Shredded Wheat" generically, to denote an article, National nevertheless had "the exclusive right to the name 'Shredded Wheat,' because those words [had] acquired the 'secondary meaning' of shredded wheat made at Niagara Falls by [National's] predecessor." *Id.* at 118, 59 S.Ct. at 113. The Court rejected this argument, saying:

There is no basis here for applying the doctrine of secondary meaning. The evidence shows only that due to the long period in which the plaintiff or its predecessor was the only manufacturer of the product, many people have come to associate the product, and as a consequence the name by which the product is generally known, with the plaintiff's factory at Niagara Falls. But to establish a trade name in the term "shredded wheat" the plaintiff must show more than a subordinate meaning which applies to it. *It must show that the primary significance of the term in the minds of the consuming public is not the product but the producer.* This it has not done. The showing which it has made does not entitle it to the exclusive use of the term shredded wheat, but merely entitles it to require that the defendant use reasonable care to inform the public of the source of its product.

Id. at 118-19, 59 S.Ct. at 113-14 (emphasis supplied).

The Court also stated:

Kellogg Company is undoubtedly sharing in the goodwill of the article known as "Shredded Wheat"; and thus is sharing in a market which was created by the skill and judgment of plaintiff's predecessor and has been widely extended by vast expenditures in advertising persistently made. But that is not unfair. Sharing in the goodwill of an

article unprotected by patent or trade-mark is the exercise of a right possessed by all—and in the free exercise of which the consuming public is deeply interested. There is no evidence of passing off or deception on the part of the Kellogg Company; and it has taken every reasonable precaution to prevent confusion or the practice of deception in the sale of its product.

Id. at 122, 59 S.Ct. at 115 (footnote omitted).

The genericness doctrine has undergone little change since the *Shredded Wheat* case.³ Thus, the MONOPOLY trademark is valid only if “the primary significance of the term in the minds of the consuming public is not the product but the producer.” *Id.* at 118, 59 S.Ct. at 113. Even if only one producer—Parker Brothers—has ever made the MONOPOLY game, so that the public necessarily associates the product with that particular producer, the trademark is invalid unless source identification is its primary significance. *Id.*

One way courts have analyzed genericness is to ask whether a term “has come to be understood as referring to the genus of which the particular product . . . is a species.” *Surgicenters of America, Inc. v. Medical Dental Surgeries Co.*, 601 F.2d 1011, 1014 (9th Cir. 1979); *Abercrombie & Fitch Co. v. Hunting World, Inc.*, *supra*, 537 F.2d at 9. The distinction is between a broad classifying term—the genus—and a specific subclassifier—the species. As a hypothetical example, suppose several manufacturers produce game equipment for playing chess. Chessco’s chess game is called EN PASSANT. When a

³ See, e.g., *Helene Curtis Industries, Inc. v. Church & Dwight Co.*, 560 F.2d 1325, 1332 (7th Cir. 1977) (en banc), *cert. denied*, 434 U.S. 1070, 98 S.Ct. 1252, 55 L.Ed.2d 772 (1978); *King-Seeley Thermos Co. v. Aladdin Industries, Inc.*, 321 F.2d 577, 580 (2d Cir. 1963); *Feathercombs, Inc. v. Solo Prods. Corp.*, 306 F.2d 251, 256 (2d Cir.), *cert. denied*, 371 U.S. 910, 83 S.Ct. 253, 9 L.Ed.2d 170 (1962); *Donald F. Duncan, Inc. v. Royal Tops Mfg. Co.*, 343 F.2d 655, 666 (7th Cir. 1955); *Nissen Trampoline Co. v. American Trampoline Co.*, 193 F. Supp. 745, 748-49 (S.D.Iowa 1961).

consumer has available in his vocabulary the broad classifier "chess," but instead asks for EN PASSANT, we can infer that the consumer wants the "species" of chess equipment produced by Chessco. The consumer may have innumerable reasons for desiring EN PASSANT chess equipment: *e.g.*, price, style, durability, consistency of quality, goodwill engendered by a catchy commercial jingle, or simply a liking for the sound of the trademark. But these desired characteristics are all source-particular, in that they correlate with a given producer, Chessco. The consumer thus uses the term EN PASSANT exactly as a trademark should be used—to enable him to recognize and ask for a particular producer's chess equipment. Moreover, Chessco benefits precisely as a producer should from a trademark: it reaps profits from consumer goodwill—both as to quality of its goods and attractiveness of its advertising—associated with its unique personality in the marketplace. It is important to recognize that the species term EN PASSANT subcategorizes only as to source. For trademark genericness purposes, it is the source-denoting function of EN PASSANT which causes us to call EN PASSANT a species instead of a genus.

A genus, in contrast to a species, is a product category including essentially interchangeable⁴ goods made by unique producers. To the extent the goods within the genus differ, their distinguishing characteristics are primarily source-

⁴ Drawing upon antitrust law, Professor McCarthy has suggested that a genus or product category can be defined as including commodities for which " 'there is a cross-elasticity of demand,' " *i.e.*, that are " 'reasonably interchangeable by consumers for the same purpose.' "

1 J. McCarthy, *Trademarks and Unfair Competition*, § 12:8 at 418 (1973) (quoting *United States v. E. I. DuPont de Nemours & Co.*, 351 U.S. 377, 394-95, 76 S.Ct. 994, 100 L.Ed. 1264 (1956)). If used, cross-elasticity of demand analysis, like the genus-species distinction itself, should focus upon consumer perception of product interchangeability.

particular, *e.g.*, price, quality, and advertising jingle. When, in the consumers' minds, the characteristics which distinguish a particular product are no longer primarily source-particular, that product becomes its own genus, and its name becomes a generic name. See *Dixie Rose Nursery v. Coe*, 76 U.S.App.D.C. 371, 372, 131 F.2d 446, 447 (D.C.Cir.), *cert. denied*, 318 U.S. 782, 63 S.Ct. 856, 87 L.Ed. 1149 (1942). See also *DuPont Cellophane Co. v. Waxed Products Co.*, 85 F.2d 75 (2d Cir.), *cert. denied*, 299 U.S. 601, 57 S.Ct. 194, 81 L.Ed. 443 (1936), 304 U.S. 575, 58 S.Ct. 1047, 82 L.Ed. 1539 (1938); *Bayer Co. v. United Drug Co.*, 272 F. 505 (S.D.N.Y. 1921).

For example, to some consumers, EN PASSANT may be so different from most manufacturers' versions of chess that it is a wholly different game. As an example, suppose Chessco's EN PASSANT board has 81 instead of 64 squares. When a consumer calls for EN PASSANT, he may now be using the term EN PASSANT to describe game-relevant, but source-irrelevant, characteristics. That is, he wants EN PASSANT because it is a more interesting, longer, game than regular chess, not because Chessco's board is more durable, stylized, cheaper, or consistent as to quality compared to other chess boards. To this consumer, EN PASSANT has become a unique game and he uses the words EN PASSANT primarily to describe a game played with 81 squares, not to describe who makes the game equipment. We thus cannot infer from the consumer's asking for EN PASSANT any preference as to the production source of the desired game. Where before there was only one relevant product category or genus, chess, there are now two: chess and EN PASSANT. If Chessco wants to monopolize this product category, it may do so through a patent, but not through a trademark. In trademark genericness parlance, EN PASSANT has evolved from a species to a genus.

Once the genus-species distinction, or genericness doctrine, is properly understood as reflecting consumer usage of a particular term, a court is prepared to ask the crucial question: whether consumers who ask for EN PASSANT are seeking

the product of a particular producer (species), or are simply describing the product itself (genus)? Source identification is the only word function which trademark law is designed to protect. If the primary significance of the trademark is to describe the type of product rather than the producer, the trademark has become a generic term and is no longer a valid trademark.

On at least two occasions courts have invalidated a trademarked name of a game on genericness grounds. In *Selchow & Righter Co. v. Western Printing & Lithographing Co.*, 47 F.Supp. 322, 326 (E.D. Wis. 1942), *aff'd*, 142 F.2d 707, 709 (7th Cir.), *cert. denied*, 323 U.S. 735, 65 S.Ct. 75, 89 L.Ed. 589 (1944),⁵ the court, applying the "primary significance" test, found:

The plaintiff here has proved that buyers for large department stores and other like establishments have for years associated the name "Parchessi" with the plaintiff company. But that does not hold true as to the general public, for it is very evident that an ordinary customer, going into a store and asking for the game "Parcheesi", has no information as to who might have manufactured and produced that game. Not one purchaser in a thousand would know or care whether Selchow and Righter Company was the manufacturer. The fact is that the public in general knows "Parcheesi" as a game and not as an article made by the plaintiff.

In *Golomb v. Wadsworth*, 592 F.2d 1184, 201 U.S.P.Q. 200, 201 (Cust. & Pat. App. 1979), the Court of Customs and Patent Appeals, in affirming the cancellation of the trademarked names POLYOMINOES and PENTOMINOES for domino-

⁵ A prior case concerning the PARCHEESI mark, *Selchow v. Chaffee & Selchow Mfg. Co.*, 132 F. 996 (S.D.N.Y. 1904), *appeal dismissed*, 140 F. 989 (2d Cir. 1905), is also instructive. There, the court declared the PARCHEESI mark invalid because it already signified the name of a game in the Indian language when registered as a mark in the United States.

like game pieces, quoted from the Trademark Trial and Appeal Board's decision as follows: "these terms . . . have become words of art in the field of mathematical puzzles and *do not and cannot serve to designate origin in anyone* producing and selling a game which involves finding ways to fit together various shapes or configurations composed of numbers of connected squares." (Emphasis in original.) These decisions illustrate that when members of the consuming public use a game name to denote the game itself, and not its producer, the trademark is generic and, therefore, invalid.⁶

B. The District Court's Findings

The district court found as a fact that a small group of related people had played "Monopoly" in various parts of the country

⁶ In a third case, *H. B. Chaffee Mfg. Co. v. Selchow*, 131 F. 543 (S.D.N.Y. 1904), *aff'd*, 135 F. 1021 (2d Cir. 1905), the court held that when the inventor of a card game "Flinch" failed to trademark its name, no one else could, by simply manufacturing the selling "Flinch" for a long period, obtain that name as a trademark. *Id.* at 545. The court stated:

The general rule is that the generic name of a thing is not the subject of a trade-mark . . . If chess or golf or whist were now invented and named, could any manufacturer or vendor of the implements with which such games are played obtain a trade-mark in their names by selling such implements put up in boxes marked with the names of the games? He, of course, could adopt a trademark to distinguish the chessmen or the playing cards or the golf clubs which he made from those made by others, but I think he could not acquire a trade-mark in the names of the games by simply selling the games after they had become known to the public under such names.

Id. at 545-46. Although factually distinguishable, the "Flinch" case exemplifies the analysis used herein: that a trademark which the public uses primarily to denote the name of a game, rather than a producer, is generic.

Various other courts have mentioned, without deciding, the question whether the name of a game is a generic term. *See, e.g., Selchow*

before Parker Brothers registered the MONOPOLY trademark. This, the court concluded, was "insufficient to prove that the term was the common descriptive name of all real estate trading games." Thus, the court held that MONOPOLY was not a generic term prior to registration.

The district judge also held that MONOPOLY had not become, since registration, a generic name. He first stated: "This assertion [that MONOPOLY is generic] contemplates a finding that the term monopoly now refers to all real estate trading board games and not to an individual game emanating from a single source." The court then found:

The primary significance of MONOPOLY in this context is not that it describes all board trading games involving real estate trading but rather that it is the title of a particular and very popular board game produced by a single company. The public's understanding is that a particular game is called MONOPOLY and that game is produced by a single manufacturer.

Anti-Monopoly contends that neither of the district court's findings on genericness responded to the crucial issue regard-

& Righter Co. v. McGraw-Hill Book Co., 580 F.2d 25, 28 (2d Cir. 1978) ("The extent to which [SCRABBLE] has come into general use to describe a game or games rather than their origin our source of supply is fairly open to proof"; thus, plaintiff, owner of SCRABBLE mark, was entitled to a preliminary injunction to prevent the mark's dilution, pending judicial resolution of SCRABBLE's validity as a trademark); *Affiliated Hosp. Prods., Inc. v. Merdel Game Mfg. Co.*, 513 F.2d 1183, 1186, 1188-89 (2d Cir. 1975) (finding consideration for settlement agreement in possibility, strongly intimated by the district judge, that game name CARROM invalid); *Application of Cooper*, 254 F.2d 611, 614-17, 45 CCPA 923, cert. denied, 358 U.S. 840, 79 S.Ct. 63, 3 L.Ed.2d 75 (1958) (holding a book title generic, because as the book's name it performs a product-denoting, not source-denoting function; observing that Patent Office may be registering names of games erroneously; and stating that if trademarked name of game is its only possible descriptive name, mark is generic).

ing the validity of the MONOPOLY mark: whether Monopoly originally denoted or now denotes primarily the name of a game, or rather a game's producer. In its proposed findings of fact and conclusions of law, Anti-Monopoly had properly presented this precise issue when it urged the court to decide that

[d]espite the efforts of defendant to police its mark, the primary significance today of MONOPOLY is, in the minds of the consuming public, the name of a game itself, and does not stand for the producer thereof. MONOPOLY has become a generic term, the name of a game, and cannot serve as a trademark.

Anti-Monopoly claims that the district court erred because it failed to make the proposed finding. It contends that the district court picked the wrong genus—all board games involving real estate trading—for determining genericness, and thus obscured the basic issue: whether MONOPOLY primarily describes a product, or a producer.

We agree that the district court erred in focusing on whether the primary significance of MONOPOLY is to denote "all board games involving real estate trading," or instead a "particular and very popular board game produced by a single company." Presumably, the district court thought that for MONOPOLY to be a generic term, it would have to describe the genus "all board games involving real estate trading." Yet, if consumers think of MONOPOLY as a unique game, and differentiate it from all other real estate trading games by source-irrelevant characteristics, *e.g.*, length of time it takes to play, or strategy involved, *MONOPOLY may constitute its own genus*. That is, the relevant product category to consumers may be the game played by the rules of "Monopoly," not all real estate trading games. Again, the crucial determination is just that requested by Anti-Monopoly: Do consumers use the term MONOPOLY *primarily to denote the product, or instead to denote its producer*? The district judge never confronted this issue, because once choosing the genus "board game involving real estate trading," he lumped together in the species category the two crucial alternative meanings: "a particular and very popular

board game" or instead a game "produced by a single company." He had to differentiate between these latter two alternatives to decide the case properly.

It may be that when a customer enters a game store and asks for MONOPOLY, he means: "I would like Parker Brothers' version of a real estate trading game, because I like Parker Brothers' products. Thus, I am not interested in board games made by Anti-Monopoly, or anyone other than Parker Brothers." On the other hand, the consumer may mean: "I want a 'Monopoly' game. Don't bother showing me Anti-Monopoly, or EASY MONEY, or backgammon. I am interested in playing the game of Monopoly. I don't much care who makes it."

In the first example, the consumer differentiates between MONOPOLY and other games according to source-particular criteria. In the second example, source is not a consideration. The relevant genus, or product category, varies accordingly. At the urging of Parker Brothers, the district court erred by first defining the genus, and then asking the "primary significance" question about the wrong genus-species dichotomy. The proper mode of analysis is to decide but one question: *whether the primary significance of a term is to denote product, or source.* In making this determination, the correct genus-species distinction, that is, the correct genericness finding, follows automatically.

We thus reverse the district court's findings as to the validity, when registered and thereafter, of the MONOPOLY trademark, and remand the case for further consideration consistent with the foregoing analysis.⁷ There is a considerable

⁷ It is significant, though not of course dispositive, that the original patent application in August 1935 divulged that "the game is known on the market as Monopoly." This usage, of course, predated any association of Parker Brothers with the game. This should be considered by the district court when analyzing whether, when registered, MONOPOLY primarily denoted the game's producer.

amount of evidence in the record bearing on consumer usage of the term MONOPOLY. It may well be, therefore, that it will be unnecessary for the district court to receive new evidence on the validity issue. That decision will be left to the district court.

III

In view of our remand on the invalidity issue, we also remand the question whether, if the MONOPOLY mark is valid, Anti-Monopoly's use thereof constitutes an infringement. The considerations affecting a determination of infringement are: the similarity in appearance, sound, and meaning of the marks, the strength or weakness of the marks, the proximity or similarity of the goods, evidence of actual confusion, the marketing channels used to market the goods, the type of goods and the degree of care likely to be exercised by the purchaser, the alleged infringer's intent in selecting the mark, and the likelihood of expansion of product lines. *E.g.*, *AMF, Inc. v. Sleekcraft Boats*, 599 F.2d 341, 348-49 (9th Cir. 1979); *J. B. Williams Co. v. LeConte Cosmetics, Inc.*, 523 F.2d 187, 191 (9th Cir. 1975), *cert. denied*, 424 U.S. 913, 96 S.Ct. 1110, 47 L.Ed.2d 317 (1976); *HMH Publishing Co. v. Brincat*, *supra*, 504 F.2d at 717.

We have also stated, however, that [w]hen the goods produced by the alleged infringer compete for sales with those of the trademark owner, infringement usually will be found if the marks are sufficiently similar that confusion can be expected.⁹

[⁹ The alleged infringer's intent in adopting the mark is weighed, both as probative evidence of the likelihood of confusion and as an equitable consideration.]

AMF, Inc. v. Sleekcraft Boats, *supra*, 599 F.2d at 348. See *Polaroid Corp. v. Polarad Elecs. Corp.*, 287 F.2d 492, 495 (2d Cir.), *cert denied*, 368 U.S. 820, 82 S.Ct. 36, 7 L.Ed.2d 25 (1961); *Habitat Design Holdings, Ltd. v. Habitat, Inc.*, 436 F.Supp. 327, 330-31 (S.D.N.Y. 1977), *aff'd as modified*, 573 F.2d 1290 (2d Cir. 1978) (memo.); *Bass Buster, Inc. v. Gapen*

Mfg. Co., 420 F.Supp. 144, 160 (W.D.Mo. 1976). See also *A. T. Cross Co. v. Jonathan Bradley Pens, Inc.*, 470 F.2d 689, 692 (2d Cir. 1972). Cf. *Carter-Wallace, Inc. v. Procter & Gamble Co.*, 434 F.2d 794, 799-802 (9th Cir. 1970) (court states that "[n]umerous factors can and often do play a role in the determination of likelihood of confusion," *id.* at 800, but focuses analysis on evidence of actual confusion, and similarity of the marks in question).

Obviously, we cannot adequately review the district court's determinations, particularly as to the "similarity of meaning" and "competition" factors, without benefit of a finding whether the primary significance of MONOPOLY is to denote the name of a unique game, or instead the game's source. We do point out, however, that even if the district judge should decide that MONOPOLY is generic, it must be established, consistent with the decision in the *Shredded Wheat* case, that Anti-Monopoly is taking "reasonable care to inform the public of the source of its product." *Kellogg Co. v. National Biscuit Co.*, *supra*, 305 U.S. at 119, 59 S.Ct. at 114. This issue is similar to the determinations required in finding infringement, and there is substantial evidence in the record bearing thereon. If the district court decides reasonable source-distinguishing steps are not being taken, it may enjoin the sale of "Anti-Monopoly" except upon its compliance with appropriate conditions. See *King-Seeley Thermos Co. v. Aladdin Industries, Inc.*, 321 F.2d 577, 581 (2d Cir. 1963); *Bayer Co. v. United Drug Co.*, 272 F. 505, 514-15 (S.D.N.Y. 1921).

IV

For the reasons just mentioned, we also remand to the district court, for further findings, the state law claims. Proper resolution of both the unfair competition and dilution issues demands, in part, inquiry into the "primary significance" of the MONOPOLY mark. Although such a finding may not be dispositive, we nonetheless await a determination that takes account of this factor. We also choose to defer consideration of

Anti-Monopoly's unclean hands defense pending resolution of the aforementioned issues.

V

Anti-Monopoly's last contention is that the district judge improperly denied it a jury trial. Anti-Monopoly places heavy emphasis on the procedural history of the case with respect to its demand for a jury trial. Anti-Monopoly points out that its original complaint contained two counts for damages, as well as its count seeking equitable relief, and that Parker Brothers had originally counterclaimed for an accounting and damages. Parker Brothers later withdrew this counterclaim, and moved, without objection from Anti-Monopoly, for severance of Anti-Monopoly's two legal claims. The district judge who was originally assigned, but who subsequently recused himself from the case, ordered that Anti-Monopoly be granted a jury trial. The district judge who ultimately heard the case, however, vacated that order, concluding that since only equitable claims remained to be tried, trial to a jury would be inappropriate.

Anti-Monopoly's allegation that pre-trial maneuvering by Parker Brothers in an effort to deprive it of a jury trial somehow vitiates the equitable nature of the case is not persuasive. Anti-Monopoly cannot complain about the severance of its legal claims, for it acquiesced in that action. Anti-Monopoly has not cited any authority for the proposition that, having once asserted a claim for damages, a party may not withdraw such a claim, or that upon such withdrawal a jury trial remains appropriate although only equitable issues remain in the case. *Lee Pharmaceuticals v. Mishler*, 526 F.2d 1115 (2d Cir. 1975) (per curiam), upon which Anti-Monopoly does rely, is authority only for the proposition that when a defendant counterclaims for damages, the plaintiff's withdrawal of its own prayer for damages does not entitle it to strike the defendant's request for a jury trial in an action for common law trademark infringement. *See id.*, at 1116-17.

Anti-Monopoly apparently also contends that the district court erred in denying it a jury trial because legal issues remain to be litigated in a related antitrust action which involves the earlier-severed legal claims. We disagree. *Beacon Theatres, Inc. v. Westover*, 359 U.S. 500, 79 S.Ct. 948, 3 L.Ed. 2d 988 (1959), upon which Anti-Monopoly relies heavily, held "that where both legal and equitable issues are *presented in a single case*, 'only under the most imperative circumstances . . . can the right to a jury trial of legal issues be lost through prior determination of equitable claims.'" *Dairy Queen, Inc. v. Wood*, 369 U.S. 469, 472-73, 82 S.Ct. 894, 897, 8 L.Ed.2d 44 (1962) (emphasis supplied) (footnote omitted) (quoting *Beacon Theatres, Inc. v. Westover*, *supra*, 359 U.S. at 510-11, 79 S. Ct. 948). No legal issues remained to be tried in the district court in the matter which is now before us. The first district judge plainly erred in concluding that questions relating to the validity of the MONOPOLY trademark raised legal issues, although both parties sought only equitable relief. See *Shubin v. United States Dist. Court*, 313 F.2d 250, 251 (9th Cir.), *cert. denied*, 373 U.S. 936, 83 S.Ct. 1539, 10 L.Ed.2d 690 (1963); *Robine v. Apco, Inc.*, 227 F.Supp. 512, 516-17 (S.D.N.Y. 1964), *aff'd*, 386 F.2d 267 (2d Cir. 1967). That being so, the order, vacating the earlier grant of a jury trial to Anti-Monopoly, was properly entered. *Cf. Daly v. Volpe*, 376 F.Supp. 987, 994 (W.D. Wash. 1974), *aff'd*, 514 F.2d 1106 (9th Cir. 1975).

REVERSED AND REMANDED.

APPENDIX D

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF CALIFORNIA

NO. C-74-0529 SW

ANTI-MONOPOLY, INC.,
a California corporation,

Plaintiff,

v.

GENERAL MILLS FUN GROUP, INC.,
a Nevada corporation,

Defendant-Counterclaimant.

Original Filed
Apr - 4 1977

Clerk, U.S. Dist. Court
San Francisco

OPINION AND ORDER

Plaintiff Anti-Monopoly, Inc. is a California corporation which has engaged in the business of selling a board game under the unregistered name ANTI-MONOPOLY. Plaintiff's game was created and originated by its President, Ralph Anspach, a professor of economics. A primary focus of the game is to emphasize and support the values of the competitive private enterprise system. Professor Anspach first intended to market the game under the title BUST THE TRUST, THE ANTI-MONOPOLY GAME, but became convinced that the better title was ANTI-MONOPOLY. Since the game was first marketed in December 1973, plaintiff has sold approximately 419,000 games, taking in close to one million dollars.

Defendant and Counterclaimant General Mills Fun Group, Inc. is a Nevada corporation engaged in business in California

and elsewhere throughout the world with its principal place of business in Minnesota. Parker Brothers is an unincorporated division of defendant engaged in the business, among others, of manufacturing and selling games. Parker Brothers is the owner of the registered trademark MONOPOLY, No. 326,723 which was registered with the United States Patent and Trademark Office on July 30, 1935 and No. 338,834 registered on September 15, 1936.

For over forty years, Parker Brothers has sold a real estate trading board game under the MONOPOLY trademark. Since 1935, Parker Brothers and its predecessor have sold 80 million sets of the MONOPOLY game in the United States for \$125 million. In the past ten years it has sold 24 million sets, and since 1973 its sales have approximated 80,000 sets annually. Parker Brothers has diligently and consistently promoted and policed its MONOPOLY mark, expending \$4 million in publicizing the trademark since its first use, \$2.1 million in publicizing the mark in the last ten years, and \$234,000 in publicizing expense last year. Defendant has enjoyed exclusive use of its MONOPOLY trademark for forty years, and the mark has not been used by anyone else except plaintiff for board games or otherwise except under licenses and other permission granted by Parker Brothers.

Anti-Monopoly, Inc. seeks a declaratory judgment that the trademark MONOPOLY is invalid and that the use of the name ANTI-MONOPOLY as the title for a board game does not infringe the MONOPOLY trademark. Plaintiff further seeks cancellation of the trademark MONOPOLY. Defendants and counterclaimants seek declaratory relief that MONOPOLY is a valid trademark infringed by ANTI-MONOPOLY and an injunction permanently restraining plaintiff's use of the ANTI-MONOPOLY name.

This court has jurisdiction under 28 U.S.C. § 1338 as both plaintiff's claim and defendant's counterclaim arise under the trademark laws of the United States, 15 U.S.C. § 1501 *et seq.* Pendent jurisdiction exists over defendant's counterclaim for

unfair competition and dilution of its trademark under California Business and Professions Code § 14200 et seq. and California Civil Code § 3369. Jurisdiction also exists under 28 U.S.C. § 1332 because the action is between citizens of different states and the amount in controversy exceeds \$10,000, exclusive of interest and costs.

I. VALIDITY OF THE TRADEMARK

15 U.S.C. § 1064(c) provides for cancellation of a registered trademark if it becomes the common descriptive name of an article or substance or was obtained fraudulently. Unless one of these or the other specified grounds for cancellation exist, the right to use a trademark in continuous use for five consecutive years after registration is incontestible and is conclusive evidence of the registrant's right to use the mark in commerce, 15 U.S.C. 1065 and 15 U.S.C. § 1115(b). However, incontestibility is not applicable where "the registration or incontestible right to use the mark was obtained fraudulently, 15 U.S.C. § 1115(b)(1), or the mark is "the common descriptive name of any article or substance," 15 U.S.C. § 1065(4)¹.

Plaintiff's assertion is that the MONOPOLY trademark is invalid and should be cancelled either because 1) MONOPOLY was or has become the generic or common descriptive name of an article, 2) the trademark MONOPOLY was obtained fraudulently or 3) defendant acquired the right to use the trademark by means of a fraudulently obtained patent.

1. Common Descriptive Term

An analysis of the various trademark categories and their respective entitlements to protection is necessary in order to determine whether MONOPOLY is or was a common descrip-

¹ Other grounds for cancellation and negating incontestability exist and are enumerated in 15 U.S.C. § 1115 and § 1065. However, they are not relevant to this case.

tive term. In ascending order of the protective status accorded each, they are 1) generic 2) descriptive 3) suggestive and 4) arbitrary or fanciful. *Abercrombie & Fitch Company v. Hunting World, Inc.*, 537 F.2d 4, 9 (2nd Cir. 1976). Generic terms, those which are the common descriptive name of an article or substance, can never be registered or entitled to trademark protection. Merely descriptive terms are not accorded protection either unless they have become distinctive or have acquired secondary meaning. *HMH Publishing Co., Inc. v. Brincat*, 504 F.2d 713, 718 (9th Cir. 1974). Secondary meaning attaches to a word or phrase originally incapable of registration which has nevertheless been used so long and exclusively by a producer with regard to a product, that the word or phrase has come to mean that the article is that producer's product. 3 Callmann, *Unfair Competition, Trademarks and Monopolies*, § 77.1 (3rd Ed. 1970). *Union Carbide Corporation v. Ever-Ready, Inc.*, 531 F.2d 366 (7th Cir. 1976), *cert. denied*, 45 U.S.L.W. 3250 (October 5, 1976).

Suggestive marks, those neither exactly descriptive or truly fanciful, need not have acquired distinctiveness or secondary meaning to be validly registered. *Abercrombie & Fitch Company v. Hunting World, Inc.*, *supra* at 537 F.2d at 11. Similarly, arbitrary and fanciful marks are always entitled to protection.

MONOPOLY was not the generic or common descriptive name of an article or substance when registered. Plaintiff introduced uncontested testimony at trial that, prior to Parker Brothers' acquisition and manufacturer of the game, a real estate trading game was played in various parts of the country and that it was sometimes called "Monopoly." This, however, is insufficient to prove that the term was the common descriptive name of all real estate trading games.

This court is of the opinion that the registration of the mark MONOPOLY as applied to the real estate trading board game in question was proper. While monopoly is a common word in the economic sense, its application to a game constitutes an

unfamiliar use and is therefore arbitrary and unique. Nor is MONOPOLY in this context a mere descriptive term.² It does not describe a game playing board and its accompanying pieces. At the most, MONOPOLY is a suggestive title validly registered without the necessity of proof of secondary meaning. *Abercrombie and Fitch Company v. Hunting World, Inc.*, *supra*, 537 F.2d at 11.

Nor is the trademark MONOPOLY invalid because, although once validly registered, it has now become generic or the common descriptive name of the article. This assertion contemplates a finding that the term monopoly now refers to all real estate trading board games and not to an individual game emanating from a single source. This is not the case. MONOPOLY can be differentiated from cellophane, thermos and aspirin. *King-Seeley Thermos Co. v. Alladin Industries*, 321 F.2d 577 (2d. Cir. 1963); *DuPont Co. v. Waxed Products Co.*, 85 F.2d 75 (2d. Cir. 1936); *Bayer & Co. v. United Drug Co.*, 272 F.2d 505 (2d. Cir. 1921). The primary significance of MONOPOLY in this context is not that it describes all board

² Even if MONOPOLY were originally a merely descriptive term incapable of exclusive appropriation it has since acquired secondary meaning entitling it to protection. The evidence is insufficient to show that the development of this secondary meaning was assisted by the Darrow patent alleged by plaintiffs to have been obtained by fraud. Fraud has not been established. Furthermore, the testimony indicates that this court is persuaded that the Darrow patent was a narrow one and Parker Brothers considered the Phillips patents to be the basic patents for the MONOPOLY game. (TR 226-229, 267).

It should also be noted that when a trademark is incontestible under U.S.C. § 1065, the registrant's mark is immune from challenge on any grounds not enumerated in 15 U.S.C. § 1115(b). Therefore a descriptive term which has acquired secondary meaning or is distinctive is immune from challenge. *Union Carbide Corporation v. Ever-Ready, Inc.*, *supra*, 531 F.2d at 375-377. *But see Flavor Corporation of America v. Kemin Industries, Inc.*, 493 F.2d 275 (8th Cir. 1974).

games involving real estate trading but rather that it is the title of a particular and very popular board game produced by a single company. The public's understanding is that a particular game is called MONOPOLY and that game is produced by a single manufacturer.³ Therefore, MONOPOLY has not become "generic" or the common descriptive name of the article and the trademark remains valid.

2. Fraud in Trademark Acquisition

Plaintiff's second ground for cancellation, that the trademark was acquired by fraud, also lacks merit. Fraud requires a false statement "made in bad faith with a fraudulent purpose and intent to secure a registration by deception." *National Tuberculosis Ass'n. v. Summit Country Tuberculosis Health Ass'n.*, 122 F. Supp. 654, 658 (N.D. Ohio, 1954). Plaintiff's counsel in closing argument admitted that fraud in obtaining the MONOPOLY trademark had not been established. This court agrees. The evidence does not show that Robert B. M. Barton, the former President of Parker Brothers, made false statements to the Patent Office in bad faith in obtaining the original MONOPOLY trademark registration.

II. INFRINGEMENT

15 U.S.C. § 1114(1) creates a cause of action for trademark infringement if there is a likelihood of confusion as to the source of the product. Actual confusion need not be found, but there must be a strong likelihood of confusion rather than a mere possibility. Factors to be considered in determining the likelihood include:

The strength or weakness of the marks, similarity in appearance, sound, and meaning, the class of good in question, the marketing channels, evidence of actual con-

³ Plaintiff's survey evidence does not convince this court to the contrary.

fusion, and evidence of the intention of defendant in selecting and using the alleged infringing name.

J. B. Williams Co., Inc. v. LeConte Cosmetics, Inc., 523 F.2d 187, 191 (9th Cir. 1975), *cert. denied*, 424 U.S. 913 (1976). *HMH Publishing Co., Inc. v. Brincat*, 504 F.2d 713, 717 (9th Cir. 1974); *Fleischmann Distilling Corp. v. Maier Brewing Co.*, 314 F.2d 149, 152 (9th Cir. 1963).

As an arbitrary or suggestive mark or as a descriptive term which has acquired secondary meaning, MONOPOLY is a strong trademark entitled to protection. This fact of association of the word MONOPOLY with the individual manufacturer means that the use of this word or phrase by another can result in a likelihood of confusion. *HMH Publishing Co., Inc., v. Brincat*, *supra*, 504 F.2d at 718.

The similarity of the two games as to product type and marketing channels is also significant in a confusion determination. These products are in direct competition. *Union Carbide Corporation v. Ever-Ready Incorporated*, *supra*, 531 F.2d at 382. Both are board games sold primarily in toy or game stores and departments. They are often stacked in close proximity to each other and the boxes are of similar size although the markings are not identical.⁴

Most troublesome is the name similarity. Plaintiff/Counter-defendant has incorporated the entire MONOPOLY mark into the name ANTI-MONOPOLY. It has not merely used part of the name or a similar but varied version. Use of the entire name MONOPOLY in the game title gives rise to an inference that the game is a variation of the MONOPOLY game and is probably produced by the same company. Contrary to plain-

⁴ Ralph Anspach indicated in his testimony that he did intend to design a unique box to be clearly distinguishable from the MONOPOLY box. (TR 133).

tiff's contention, the fact that the "anti" phrase serves as an antithetical word is insufficient to preclude a finding of similarity and confusion.

The initial refusal of the Patent Office to approve plaintiff's application to register ANTI-MONOPOLY as a trademark is also entitled to some weight. The ground for this refusal was the close resemblance to MONOPOLY and the possibility of confusion, mistake or deception. While this refusal is not conclusive evidence, particularly since plaintiff chose to not pursue the application further, it is valid cumulative evidence corroborating a finding of confusion.

A further factor to be considered in determining the existence of confusion is the alleged infringer's intent. The plaintiff in an infringement is not required to prove intent. However, where it is shown, the inference may be drawn and the burden shifts to the defendant (here plaintiff/counterdefendant) to show that his efforts were unsuccessful. *HMH Publishing Co., Inc. v. Brincat, supra*, 504 F.2d at 720. Anspach received two legal opinions that ANTI-MONOPOLY did not infringe upon the name MONOPOLY. He designed the box to be unique and different from MONOPOLY.⁵ Further, he instructed his sales staff to disassociate the game with Parker Brothers. However, the record clearly shows that Anspach felt that the best name under which his game could be marketed was ANTI-MONOPOLY rather than BUST THE TRUST. While there was no intent to specifically infringe upon the MONOPOLY trademark since a sincere belief was held that use of the name ANTI-MONOPOLY would not constitute infringement, there was clearly an intent to increase sales by the use of a popular name. Such an intent is sufficient to draw an inference of likelihood of confusion and that inference has not been rebutted by the plaintiff. *HMH Publishing Co., Inc. v. Brincat, supra*, 504 F.2d at 720.

⁵ See Footnote 4, *supra*.

The finding of a likelihood of confusion is further substantiated by the considerable amount of evidence of actual confusion introduced at trial. A number of sales clerks in toy or game stores and departments testified as to their initial confusion as to the source of ANTI-MONOPOLY. Further evidence of confusion by those in the retail trade in ordering both games and parts for the ANTI-MONOPOLY game was introduced. Instances of employees stacking the two games together under the mistaken assumption they were both produced by Parker Brothers or due to a feeling it would assist sales are indicative of the existence of confusion. These amounted to more than isolated occurrences.

This confusion on the part of store clerks and employees is not conclusive evidence of general public confusion. However, it does give rise to an inference that purchasers would also be confused. Retail sales personnel are more familiar with trademarks. If they are confused, there is an inference that the general public is likely to be confused. *Union Carbide Corporation v. Ever-Ready Incorporated, supra*, 531 F.2d at 366 (7th Cir. 1976); *Jockey International, Inc. v. Burkard*, 185 USPQ 201, 205 (S.D. Cal. 1975).

Testimony of retail store employees as to incidents of consumer confusion is also relevant. Substantiating this testimony were instances of direct letters from consumers ordering ANTI-MONOPOLY from Parker Brothers. While each of these incidents alone would not lead to a conclusion that a likelihood of confusion exists, they are cumulatively very persuasive.

Both parties to this action have also introduced survey evidence relevant to the issue of confusion. While such evidence should not be given controlling weight, defendant's finding that a minimum of 15% confusion exists as to source between MONOPOLY and ANTI-MONOPOLY corroborates the above findings. Plaintiff's survey evidence is not otherwise persuasive. The use of EASY MONEY rather than PRIZE PROPERTY as a control does not give plaintiff's data a grea-

ter degree of reliability. Furthermore, the limitation of the survey to female heads of household and to those who had never seen EASY MONEY detracts from the credibility of plaintiff's findings.

The cumulative effect of the factors articulated above leads this court to the conclusion that the use of the name ANTI-MONOPOLY as the title to plaintiff's game creates a strong likelihood of confusion in the general public as to the source of the game.

III. CALIFORNIA CLAIMS

An analysis of this case under California law of unfair competition leads to the same result. There is a strong likelihood that the public will be deceived as to the source of the ANTI-MONOPOLY game due to confusion with the mark MONOPOLY. This is sufficient to establish a claim for unfair competition under California Civil Code § 3369. *HMH Publishing Co., v. Brincat, supra*, 504 F.2d at 720 (9th Cir. 1974); *Schwartz v. Slenderella Systems*, 43 C.2d 107 (1954). Since confusion exists, plaintiff's name also dilutes defendant's trademark MONOPOLY within the meaning of California Business and Professions Code § 14330. It is not necessary to decide whether § 14330 provides more extensive protection. *HMH Publishing Co., v. Brincat, supra*, 504 F.2d at 720.

IV. EQUITY

Plaintiffs contend that defendants/counterclaimants are not entitled to injunctive relief; that the court should not use its equity power to protect the MONOPOLY trademark because Parker Brothers has abused the trademark. There is nothing in the record which persuades this court that an abuse of the trademark has occurred. Nor, as discussed above, is there any evidence indicating that fraud was involved in the acquisition of the original trademark.

CONCLUSION

Parker Brothers' MONOPOLY trademark is valid and enforceable in all respects. Use of the name ANTI-MONOPOLY as the title to plaintiff's game creates a strong likelihood of confusion in the public mind and constitutes an infringement of the trademark MONOPOLY.

Parker Brothers is therefore entitled to a permanent injunction forbidding and restraining plaintiff:

- a. from using the words ANTI-MONOPOLY or MONOPOLY or any other word or words, syllable or syllables, confusingly similar to MONOPOLY, alone or in combination with any other syllable or syllables, word or words, as a trademark or trade or corporate name on or in connection with the advertising, offering for sale or sale of any board game;
- b. from committing any other acts calculated to cause purchasers to believe that plaintiff's products are products of defendant or are sponsored or put out by defendant and from otherwise competing unfairly with defendant in any manner.

Plaintiff is further ordered to deliver up for destruction any and all products, games, equipment, catalogue price lists, circulars, signs, prints, advertising, dies, plates, labels, wrappers, packaging materials, invoices, stationery and other materials in the possession or under the control of plaintiff, bearing the word ANTI-MONOPOLY as the name or trademark for any goods of plaintiff.

Parker Brothers shall have and recover from plaintiff its costs of suit.

IT IS SO ORDERED.

DATED: 4-4-77

/s/

UNITED STATES DISTRICT JUDGE

APPENDIX E

SUPREME COURT OF THE UNITED STATES

No. A-440

**GENERAL MILLS FUN GROUP, INC., and
CPG PRODUCTS CORPORATION,**

Petitioners,

v.

ANTI-MONOPOLY, INC.

**ORDER EXTENDING TIME TO FILE
PETITION FOR WRIT OF CERTIORARI**

UPON CONSIDERATION of the application of counsel for petitioner(s),

IT IS ORDERED that the time for filing a petition for writ of certiorari in the above-entitled cause be, and the same is hereby, extended to and including December 24, 1982.

/s/ William H. Rehnquist

WILLIAM H. REHNQUIST

**Associate Justice of the Supreme Court of the United
States**

Dated this 16th day of November, 1982

APPENDIX F

FEDERAL RULES OF CIVIL PROCEDURE

Rule 52. Findings by the Court

(a) **Effect.** In all actions tried upon the facts without a jury or with an advisory jury, the court shall find the facts specially and state separately its conclusions of law thereon, and judgment shall be entered pursuant to Rule 58; and in granting or refusing interlocutory injunctions the court shall similarly set forth the findings of fact and conclusions of law which constitute the grounds of its action. Requests for findings are not necessary for purposes of review. Findings of fact shall not be set aside unless clearly erroneous, and due regard shall be given to the opportunity of the trial court to judge of the credibility of the witnesses. The findings of a master, to the extent that the court adopts them, shall be considered as the findings of the court. If an opinion or memorandum of decision is filed, it will be sufficient if the findings of fact and conclusions of law appear therein. Findings of fact and conclusions of law are unnecessary on decisions of motions under Rules 12 or 56 or any other motion except as provided in Rule 41(b).

Title 15, United States Code

§ 1057. Certificates of registration

(b) Certificate as prima facie evidence

A certificate of registration of a mark upon the principal register provided by this chapter shall be prima facie evidence of the validity of the registration, registrant's ownership of the mark, and of registrant's exclusive right to use the mark in commerce in connection with the goods or services specified in the certificate, subject to any conditions and limitations stated therein.

§ 1064. Cancellation of registration

A verified petition to cancel a registration of a mark, stating the grounds relied upon, may, upon payment of the prescribed fee, be filed by any person who believes that he is or will be damaged by the registration of a mark on the

principal register established by this chapter, or under the Act of March 3, 1881, or the Act of February 20, 1905—

(a) within five years from the date of the registration of the mark under this chapter; or

(b) within five years from the date of publication under section 1062(c) of this title of a mark registered under the Act of March 3, 1881, or the Act of February 20, 1905; or

(c) at any time if the registered mark becomes the common descriptive name of an article or substance, or has been abandoned, or its registration was obtained fraudulently or contrary to the provisions of section 1054 of this title or of subsections (a), (b), or (c) of section 1052 of this title for a registration hereunder, or contrary to similar prohibitory provisions of said prior Acts for a registration thereunder, or if the registered mark is being used by, or with the permission of, the registrant so as to misrepresent the source of the goods or services in connection with which the mark is used: or

(d) at any time if the mark is registered under the Act of March 3, 1881, or the Act of February 20, 1905, and has not been published under the provisions of subsection (c) of section 1062 of this title; or

(e) at any time in the case of a certification mark on the ground that the registrant (1) does not control, or is not able legitimately to exercise control over, the use of such mark, or (2) engages in the production or marketing of any goods or services to which the certification mark is applied, or (3) permits the use of the certification mark for purposes other than to certify, or (4) discriminately refuses to certify or to continue to certify the goods or services of any person who maintains the standards or conditions which such mark certifies:

Provided, That the Federal Trade Commission may apply to cancel on the grounds specified in subsections (c) and (e) of this section any mark registered on the principal register established by this chapter, and the prescribed fee shall not be required.

(July 5, 1946, ch. 540, title I, § 14, 60 Stat. 433; Oct. 9, 1962, Pub. L. 87-772, § 9, 76 Stat. 771.)

§ 1065. Incontestability of right to use mark under certain conditions

Except on a ground for which application to cancel may be filed at any time under subsections (c) and (e) of section 1064 of this title, and except to the extent, if any, to which the use of a mark registered on the principal register infringes a valid right acquired under the law of any State or Territory by use of a mark or trade name continuing from a date prior to the date of the publication under this chapter of such registered mark, the right of the registrant to use such registered mark in commerce for the goods or services on or in connection with which such registered mark has been in continuous use for five consecutive years subsequent to the date of such registration and is still in use in commerce, shall be incontestable: *Provided, That—*

(1) there has been no final decision adverse to registrant's claim of ownership of such mark for such goods or services, or to registrant's right to register the same or to keep the same on the register; and

(2) there is no proceeding involving said rights pending in the Patent and Trademark Office or in a court and not finally disposed of; and

(3) an affidavit is filed with the Commissioner within one year after the expiration of any such five-year period setting forth those goods or services stated in the registration on or in connection with which such mark has been in continuous use for such five consecutive years and is still in use in commerce, and other matter specified in subsections (1) and (2) of this section; and

(4) no incontestable right shall be acquired in a mark which is the common descriptive name of any article or substance, patented or otherwise.

Subject to the conditions above specified in this section, the incontestable right with reference to a mark registered under this chapter shall apply to a mark registered under the Act of March 3, 1881, or the Act of February 20, 1905, upon the filing of the required affidavit with the Commissioner within one year after the expiration of any period of five consecutive years after the date of publica-

tion of a mark under the provisions of subsection (c) of section 1062 of this title.

The Commissioner shall notify any registrant who files the above-prescribed affidavit of the filing thereof.

(July 5, 1946, ch. 540, title I, § 15, 60 Stat. 433; Oct. 9, 1962, Pub. L. 87-772, § 10, 76 Stat. 771; Jan. 2, 1975, Pub. L. 93-596, § 1, 88 Stat. 1949.)

§ 1115. Registration on principal register as evidence of exclusive right to use mark; defenses

(a) Any registration issued under the Act of March 3, 1881, or the Act of February 20, 1905, or of a mark registered on the principal register provided by this chapter and owned by a party to an action shall be admissible in evidence and shall be prima facie evidence of registrant's exclusive right to use the registered mark in commerce on the goods or services specified in the registration subject to any conditions or limitations stated therein, but shall not preclude an opposing party from proving any legal or equitable defense or defect which might have been asserted if such mark had not been registered.

(b) If the right to use the registered mark has become incontestable under section 1065 of this title, the registration shall be conclusive evidence of the registrant's exclusive right to use the registered mark in commerce on or in connection with the goods or services specified in the affidavit filed under the provision of said section 1065 subject to any conditions or limitation stated therein except when one of the following defenses or defects is established:

(1) That the registration or the incontestable right to use the mark was obtained fraudulently; or

(2) That the mark has been abandoned by the registrant; or

(3) That the registered mark is being used by or with the permission of the registrant or a person in privity with the registrant, so as to misrepresent the source of the goods or services in connection with which the mark is used; or

(4) That the use of the name, term, or device charged to be an infringement is a use, otherwise than as a trade or service mark, of the party's individual name in his own business, or of the individual name of anyone in privity with such party, or of a term or device which is descriptive of and used fairly and in good faith only to describe to users the goods or services of such party, or their geographic origin; or

(5) That the mark whose use by a party is charged as an infringement was adopted without knowledge of the registrant's prior use and has been continuously used by such party or those in privity with him from a date prior to registration of the mark under this chapter or publication of the registered mark under subsection (c) of section 1062 of this title: *Provided, however*, That this defense or defect shall apply only for the area in which such continuous prior use is proved; or

(6) That the mark whose use is charged as an infringement was registered and used prior to the registration under this chapter or publication under subsection (c) of section 1062 of this title of the registered mark of the registrant, and not abandoned: *Provided, however*, That this defense or defect shall apply only for the area in which the mark was used prior to such registration or such publication of the registrant's mark; or

(7) That the mark has been or is being used to violate the antitrust laws of the United States.

(July 5, 1946, ch. 540, title VI, § 33, 60 Stat. 438; Oct. 9, 1962, Pub. L. 87-772, § 18, 76 Stat. 774.)

§ 1122. Repealed. May 24, 1949, ch. 139, § 142, 63 Stat. 109

Section, act July 5, 1946, ch. 540, title VI, § 40, 60 Stat. 440, related to review of cases by the Supreme Court, and is now covered by section 1254 of Title 28, Judiciary and Judicial Procedure.

§ 1127. Construction and definitions; intent of chapter

In the construction of this chapter, unless the contrary is plainly apparent from the context—

* * * * *

The term "trade-mark" includes any word, name, symbol, or device or any combination thereof adopted and used by a manufacturer or merchant to identify his goods and distinguish them from those manufactured or sold by others.

* * * * *

A mark shall be deemed to be "abandoned"—

(a) When its use has been discontinued with intent not to resume. Intent not to resume may be inferred from circumstances. Nonuse for two consecutive years shall be prima facie abandonment.

(b) When any course of conduct of the registrant, including acts of omission as well as commission, causes the mark to lose its significance as an indication of origin.

The term "colorable imitation" includes any mark which so resembles a registered mark as to be likely to cause confusion or mistake or to deceive.

The term "registered mark" means a mark registered in the United States Patent and Trademark Office under this chapter or under the Act of March 3, 1881, or the Act of February 20, 1905, or the Act of March 19, 1920. The phrase "marks registered in the Patent and Trademark Office" means registered marks.

* * * * *

APPENDIX G

Registered July 30, 1935

Renewed for 20 years from July 30, 1955

Pub. (Sec. 12 c) on July 20, 1948

COMB. AFF. SEC. 8 & 15

UNITED STATES PATENT OFFICE

Trade-Mark 326,723

Parker Brothers, Inc., Portland, Maine, and Salem, Mass.

Act of February 20, 1905

Application March 30, 1935, Serial No. 363,230

**MONOPOLY
STATEMENT**

To all whom it may concern:

Be it known that Parker Brothers, Inc., a corporation organized under the laws of the State of Maine, located at Portland, Maine, and having its principal place of business at 190 Bridge Street, Salem, county of Essex, State of Massachusetts, has adopted and used trade-mark shown in accompanying drawing, for a BOARD GAME PLAYED WITH MOVABLE PIECES, in Class 22, Toys, games, and sporting goods.

The trade-mark has been continuously used and applied to said goods in applicant's business since March 20, 1935.

The trade-mark is applied or affixed to the goods, or to the packages containing the same, by placing thereon a printed label on which the trade-mark is shown.

PARKER BROTHERS, INC.,
By **ROBERT B. M. BARTON,**
President.

Amendment

Registered July 30, 1935

Registration No. 326,723

Parker Brothers, Inc.

Application to amend having been made by Parker Brothers, Inc., owner of the registration above identified, said registration is hereby amended as follows:

In the statement, column 1, lines 7 and 8, "a board game played with movable pieces" is deleted and *equipment comprising a board and movable pieces for use in playing a real estate trading game* is inserted.

Such amendment has been entered upon the records of the Patent Office and the said original registration should be read as so amended.

Signed and sealed this 26th day of May 1959.

[SEAL]

Maurice A. Crews,
MAURICE A. CREWS,
Assistant Commissioner of Patents.

APPENDIX H

Registered Sept. 15, 1936

Renewed for 20 years from Sept. 15, 1956

Pub. (Sec. 12 c) on Oct. 4, 1955

UNITED STATES PATENT OFFICE

Trade-Mark 338,834

Parker Brothers, Inc., Portland, Maine, and Salem, Mass.

Act of February 20, 1905

Application March 28, 1936, Serial No. 376,540

MONOPOLY STATEMENT

To all whom it may concern:

Be it known that Parker Brothers, Inc., a corporation organized under the laws of the State of Maine, located at Portland, Maine, and having its principal place of business at 190 Bridge Street, Salem, county of Essex, State of Massachusetts, has adopted and used trade-mark shown in accompanying drawing, for TOY MONEY AND RACKS AND TILLS SUITABLE FOR HOLDING SAME FOR USE IN THE PLAY OF GAMES, in Class 22, Games, toys, and sporting goods.

The trade-mark has been used continuously and applied to said goods in applicant's business since March 20, 1935, the applicant's being the owner of trade-mark No. 326,723 registered July 30, 1935. The trade-mark is applied by the use of a

label bearing the mark "Monopoly" upon the individual packages of goods as supplied to the dealer.

PARKER BROTHERS, INC.,
By DONALD B. JELLY,
Vice President.

Attest: Apr. 8 1974

/s/ E. I. Williams
E. I. WILLIAMS
Attesting Officer

CERTIFIED TO BE A TRUE COPY OF THE REGISTRATION, WHICH IS IN FULL FORCE AND EFFECT, WITH NOTATION OF ALL STATUTORY ACTIONS TAKEN THEREON, AS DISCLOSED BY THE RECORDS OF THE UNITED STATES PATENT OFFICE. SAID RECORDS SHOW TITLE TO THE REGISTRATION IN General Mills Fun Group, Inc., a Nevada corp.

/s/ C. Marshall Dann
C. MARSHALL DANN
Commissioner of Patents

Supreme Court, U.S.
FILED

JAN 6 1983

No. 82-1075

ALEXANDER L. STEVENS
CLERK

IN THE
SUPREME COURT OF THE UNITED STATES
OCTOBER TERM, 1982

CPG PRODUCTS CORP. AND GENERAL MILLS
FUN GROUP, INC.,

Petitioners,

v.

ANTI-MONOPOLY, INC.,

Respondent.

Brief in Opposition to Petition
For a Writ of Certiorari to
the United States Court of
Appeals for the Ninth Circuit

CARL E. PERSON

(Counsel of Record)

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**QUESTIONS PRESENTED --
A COUNTER-STATEMENT**

1. Whether a registered (descriptive) trade-mark used to identify a unique, patented product that, after patent expiration still is its own genus, has become the "common descriptive name" of the product because of abandonment, through acts of omission and commission, when one survey shows the trade-mark is the only term the buying public uses to name that product and another survey shows that a majority of the respondents use the trade-mark to ask for the product for product-related (instead of source-related) reasons and "didn't much care who produced the product" and when no relevant surveys or expert testimony were submitted in support of the trademark.

2. Whether Rule 52(a) of the Federal Rules of Civil Procedure permits a court of appeals to substitute its finding that a trade-mark is invalid as "generic" for the contrary finding of a district court if the district court's conclusion was based on factual findings which were clearly erroneous and an examination by the court of appeals of the entire evidence left it with the definite and firm conviction that a mistake has been committed.

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**IN THE
SUPREME COURT OF THE UNITED STATES
OCTOBER TERM, 1982**

No. 82-1075

**CPG PRODUCTS CORP. AND GENERAL MILLS
FUN GROUP, INC.,**

Petitioners,

v.

ANTI-MONOPOLY, INC.,

Respondent.

**Brief in Opposition to Petition
For a Writ of Certiorari to
the United States Court of
Appeals for the Ninth Circuit**

Anti-Monopoly, Inc. ("respondent"
or "Anti-Monopoly") hereby opposes, and
files this brief in opposition to, the
Petition by CPG Products Corp. and
General Mills Fun Group, Inc. ("petition-

er" or "Parker Brothers") for the issuance of a writ of certiorari to review the decision and judgment of the Court of Appeals for the Ninth Circuit in Anti-Monopoly, Inc. v. General Mills Fun Group, Inc., No. 81-4281, issued on August 26, 1982, and in opposition to any motions for leave by any one or more third persons to file an amicus curiae brief in support of the petition.¹

**QUESTIONS PRESENTED BY PETITIONER
- A COUNTER-STATEMENT**

Petitioner's statement of the "Questions Presented" (p. i of Petition) is wholly unsatisfactory and fails to present any questions at all.

1. Various requests were made for permission to file amicus curiae briefs, all of which were denied by Anti-Monopoly, either for uncertainty of the amicus' intended argument, duplication of petitioner's argument, or irrelevance.

The heart of petitioner's first question, when stripped of excess words, reveals the inadequacy of the question:

"Whether a ... trade-mark ... ha(s) become the 'common descriptive name' solely because a ... survey indicates that a majority of the product's purchasers buy it because of a desire to have that product...."

This question by petitioner is sheer nonsense since purchasers obviously buy goods because they desire them. The court of appeals never made any such absurd determination.

Much of petitioner's argument throughout its petition is based on refuting this absurdity (the "absurdity issue").

A satisfactory statement of the first question is at p. i. To answer this properly formulated question needs no brief, which explains why petitioner has formulated its first question as it did.

Petitioner's second question is unsatisfactory, also. The second quest-

ion is restated by Anti-Monopoly at p. ii above.

RESPONDENT'S CORRECTED STATEMENT

Respondent disagrees with petitioner's statement of the case in many respects, and offers the following corrections of inaccuracies and omissions:

A Short Summary

Petitioner purchased the folkgame "Monopoly" played for about 25 years under the name monopoly from Charles Darrow in 1934. Darrow simply copied the folk game in toto. Petitioner nevertheless, secured a patent on behalf of Darrow even though petitioner knew he was not the inventor.

During the patent period, from 1935 to 1952, petitioner used the patent to eliminate all entry into the marketplace

for the monopoly game, and secured a written agreement by Milton Bradley, its major competitor, never to use the name "Monopoly" on any game.²

Shortly after the patent expired, petitioner tried unsuccessfully to keep the MONOPOLY game from becoming generic by changing the game rules and by establishing "real estate trading game" as the generic name. This effort failed and the public continued to call the game by its trademark, "Monopoly".

Petitioner never advertised the "Monopoly" game nor educated the public otherwise to think of the word "MONOPOLY" as a source indicator.

2. Petitioner also discouraged entry by placing a notice on all "MONOPOLY" boards: "THE DISTINCTIVE DESIGN OF THE GAME BOARD AND PIECES AS WELL AS THE WORD "MONOPOLY" ARE THE TRADEMARKS OF PARKER BROTHERS, INC. FOR ITS REAL ESTATE TRADING GAME EQUIPMENT."

Over the years, from 1935 to 1974, the date of commencement of this action, and beyond, petitioner threatened suit, and sued, numerous persons who wanted to enter the market with anything resembling the design of the "Monopoly" board (which had also been trademarked) or had anything in their name which included specific parts of the term "MONOPOLY". Thus, petitioner brought suit against the owners of the trade names MONOPSONY, THEOPOLY, TRIOPOLY, BLACK MONOPOLY, COSMOPOLY and in doing so made it impossible for anyone to use the term "monopoly" or similar (or not-so-similar) terms in any trademarks. The effect was to make it impossible for anyone with a game involving monopolies or anti-monopolies to market such game using the one term which was needed to describe its subject matter.

In 1971, Anti-Monopoly's founder, president and principal shareholder,

Ralph Anspach, a professor of economics at San Francisco State University, who has written articles on Adam Smith and the advantages of competition, invented a game espousing the principles of free competition and named it (after one change, discussed later) "Anti-Monopoly - - The Bust-the-Trust Game", and applied for a trademark on the name, which was rejected because of the "MONOPOLY" trademark.

Anspach set up Anti-Monopoly, Inc. to manufacture and market the Anti-Monopoly game, and in 1973 the game was first offered and sold. From 1973 to 1976 approximately 500,000 copies were sold.

Petitioner during late 1973 started to interfere with Anti-Monopoly's distribution of the game and threatened to sue Anti-Monopoly, and immediately after the

second threat Anti-Monopoly commenced this action, in 1974, for a declaratory relief (that the "MONOPOLY" trademark was invalid and/or not infringed). Prior to the suit, Anti-Monopoly had obtained legal advice from two different trademark law firms that use of the opposite of a descriptive trademark could not possibly cause confusion and was not an infringement.

A. Introduction (Corrections)

Ralph Anspach, President of Anti-Monopoly ("Anspach") submitted a prototype of his game to other game companies under the suggested name "BUST THE TRUST - THE ANTI-MONOPOLY GAME", but was unable to license the game. Before going into production himself, as Anti-Monopoly, Inc., he reversed the name to "ANTI-MONOPOLY - THE BUST THE TRUST GAME" because he discovered that the terms "Bust-the-

Trust" and "Anti-Trust" mean to the average game buyer more breach of confidence or breaking into banks than it does opposition to industrial monopolies. He therefore selected the best name for his game without any sales failures under the first name. This name would have been chosen even if petitioner's game was not on the market under the name "MONOPOLY". Petitioner is aware of this, but in each stage of this litigation has started off with the same baseless charge, now being presented by petitioner's new attorneys without any evidence in the record.

Anti-Monopoly filed suit against Parker Brothers only after Parker Brothers turned down Anti-Monopoly's offers of disclaimer and change of name to antimonopolist, antimonopoli or anti-monopolism.

B. The First Trial (Corrections)

Parker Brothers spent absolutely no money at all in the advertising of its Monopoly game from inception through the date of trial.³ Its only marketing expenditure was for promotional stunts such as Monopoly tournaments, which promoted the product rather than the source.

Anti-Monopoly and Monopoly were stacked alongside each other in some retail stores because of the subject matter

3. See, e.g., The Wall Street Journal, November 18, 1982, p.31, which stated in part: ".... Parker Brothers, Inc. ... began buying advertising for Monopoly for the first time since the game's introduction in 1935."; and San Francisco Chronicle, November 6, 1982, AP story, p. 3, which stated in part: "'It has always been a simple case of keeping Monopoly in the public eye because the game was so big and so popular that it would take care of itself,' said R. Bruce Jones, vice president of sales at Parker Brothers.... (T)he company is (now) breaking two of its rules: it is actively advertising" See Appendix I.

with testimony that the two games helped the sales of each other.

C. The First District Court Decision (Corrections)

(5) Judge Williams, District Court Judge, also found that Anspach "designed the box to be unique and different from MONOPOLY" and "he instructed his sales staff to disassociate the game with Parker Brothers". Judge Williams also found that Anspach had "no intent to specifically infringe upon the MONOPOLY trademark since a sincere belief was held that use of the name ANTI-MONOPOLY would not constitute infringement." This belief was based on the opinions of two trademark firms.

E. The Second District Court Decision (Corrections)

Part of the documentary evidence included a letter from the President of

Parker Brothers ascribing the success of Monopoly to its exclusive use of the monopolizing game feature, a feature which was covered by the Darrow patent.

Petitioner's footnote 8, at page 9 of the petition, is inaccurate. "MONOPOLY" was compared with only 6 other trademarks in the survey (TIDE, LAVORIS, STP, SEVILLE, COKE and JELLO) and came in 4th (not 3rd out of 20 as stated in the footnote). This was so even though none of the other trademarks involved a product having a single manufacturer.

F. The Second Court of Appeals Decision (Corrections)

The court of appeals correctly applied the standard prescribed by Rule 52(a) of the Federal Rules of Civil Procedure, as discussed later.

The court of appeals had no reason to question the results of either of petitioner's surveys; it held that petitioner's "brand-name" ("TEFLON") survey "is not even some evidence to support finding 2; it is no evidence to support it" (13a); and held that petitioner's other survey (the "TIDE" Survey) was "of no relevance to this case" (19a).

The testimony of petitioner's first expert witness was rejected by the court of appeals because his direct testimony was on the irrelevant "TEFLON" survey; and upon cross examination and redirect the witness had no opinion on the relevance of petitioner's "TEFLON" survey to any issues in this case (Pet. App. at 13a). The other expert of petitioner testified solely as to the "TIDE" survey, which the court of appeals said had no relevance to this case (19a). The court

of appeals stated indirectly that the "TIDE" survey, which was intended as a reductio ad absurdum of the Motivation Survey, failed because it did not replicate the Motivation Survey (18a).

In passing, as an aside, the court of appeals said that the conclusion of the "TIDE" survey, instead of proving "absurdity", might be cause for alarm for Proctor & Gamble, if the survey had replicated Anti-Monopoly's Motivation Survey, which it had not, if it was carried out by persons who understood the Anti-Monopoly I test, and if that test could be mechanically extended to "the very different subject of detergents" (18a). In its Opening Brief in the court of appeals (2nd appeal), Anti-Monopoly analyzed the "TIDE" survey on the basis of the test in Anti-Monopoly I (product and source indicators) and concluded that the "TIDE"

survey results when properly tabulated add up to a very strong trademark for TIDE even though it had not replicated the Motivation Survey. The contrary conclusion was due to the frankly acknowledged lack of understanding of petitioner's second expert witness concerning the concept of primary significance explained in Anti-Monopoly I. He also admitted he had not read the opinion.

Anti-Monopoly's "motivation" telephone survey (the "Motivation Survey") was designed to ascertain the use of the term "Monopoly" by those who had purchased the game in the past or intended to do so in the future. It contained two key parts. An open-ended question asked why consumers had bought or would buy "Monopoly". 82% mentioned some aspect of the playing of the game (product indicators) and only 7% mentioned the equipment and 1%

spoke of price (source indicators). Petitioner fails to discuss this part of the survey.

In the other part of the survey 65% chose "I want a 'Monopoly' game primarily because I am interested in playing 'Monopoly', I don't much care who makes it." Thirty-two percent chose: "I would like Parker Brothers' 'Monopoly' game primarily because I like Parker Brothers' products." Because petitioner has misused this part to set up its sham "anonymity" issue, it should be pointed out that the second part of the survey did not tell us anything about whether the respondents knew the name of the producer of the "Monopoly" game to be Parker Brothers. The survey company had informed respondents that Parker Brothers produces "Monopoly" and testified that it had kept in the survey all those who did not know

that Parker Brothers produced "Monopoly". This was done to simplify⁴ the survey since the court of appeals had already ruled that, in a single-producer case, it was irrelevant whether the consumers know there is only a single producer or what the producer's name is.

The petitioner asserts incorrectly that the court of appeals based its

4. The survey was designed to apply only to past or future buyers of the "Monopoly" game. If the survey company had asked "Are you aware of "Monopoly"?", this would have opened discussion about what type of "monopoly" was being asked for, e.g., a game, a commercial market dominator, an economic theory, etc. Good polling practice is to eliminate as much irrelevant conversation as possible to avoid biasing the respondent. If the survey began with, "Are you aware of the "Monopoly" game?", this could have been product bias (reference to "game") detrimental to petitioner; therefore, to be fair to both sides, the survey balanced the screening question with the phrase "produced by Parker Brothers", which gave a source indicator to offset the product indicator ("game").

invalidation of the "Monopoly" trademark solely on the results from the second part of the Motivation Survey. But this is totally false. The court of appeals based its decision on the following additional grounds, which it considered in terms of the vulnerability of the "Monopoly" trademark due to the patent period and the descriptiveness of the name:

A. The first part of the Motivation Survey;

B. The "Thermos" survey; and

C. Petitioner's promotion of the game so that the name of the game became generic.

REASONS FOR DENYING THE PETITION

The Ninth Circuit followed an established decision of this Court, which result was intended to be retained when the Lanham Act was enacted by Congress. Congress intended that when a trademark

became the common descriptive name of the article to which it was affixed that the trademark was invalid. This result was intended to prevent monopolization of a market by having an exclusive property interest in the name by which consumers asked for the product or service. There is no conflicting decision in any other circuit.

Petitioner claims that the Ninth Circuit opinion will cause chaos in the marketplace, basing its claim on the belief that "pirates" will commission "motivation" surveys to show that "consumers purchase the brand-name product primarily because of a desire to have that product...". This argument, as explained previously, is absurd, and does not rest on any part of the Ninth Circuit's opinion. Petitioner wilfully fails to state the Ninth Circuit's test, and presumably hopes that nobody will notice. The Ninth

Circuit test requires a determination of whether buyers and prospective buyers use the term "Monopoly" primarily to indicate source-related features or to primarily indicate product-related features of a product. Of course, buyers purchase a product because they desire to have it.

The court of appeals determined that petitioner's surveys and the testimony of petitioner's experts were irrelevant in this case and therefore had no evidence on petitioner's side, and found that Anti-Monopoly's first survey, unchallenged by the District Court as to its central finding, and Anti-Monopoly's second survey (which conformed to Anti-Monopoly I) were convincing. The court of appeals held that, to make a contrary determination (i.e., the findings and decision by Judge Williams) was clearly erroneous.

The court of appeals was very conscious of the standard to be employed when using Rule 52(a) of the Federal Rules of Civil Procedure, and the recent decisions of this Court under such Rule. The court of appeals began its opinion by acknowledging the limitations under the Rule, and went on to state how these limitations were being followed. The decision of the court of appeals in Anti-Monopoly II was unanimous, and followed the unanimous decision of the court of appeals in Anti-Monopoly I, which had 2 different judges on the panel. A total of 5 appellate justices (including 2 sitting by designation) have approved the standard set forth in Anti-Monopoly I. In neither case did Parker Brothers move for a rehearing.

In short, none of the possible bases for granting a writ of certiorari, are involved in this case because (a)

there is no conflict with a decision of another federal court of appeals; and (b) this Court has already decided the issue of law in Kellogg Co. v. National Biscuit Co., 305 U.S. 111 (1938) (the "Shredded Wheat Case"), which decision was adopted by the Lanham Act upon its enactment.

Also, a point never raised as an issue during this litigation is whether "common descriptive term" means something other than "genericness". This non-issue is discussed in part III below, beginning at p. 43.

The issues of infringement of "MONOPOLY" and Anti-Monopoly's defense of petitioner's unclean hands (based on petitioner's patent fraud and appropriation of the folk game monopoly from the public domain) was deferred by Anti-Monopoly I pending outcome of the trademark validity case.

I

**THE NINTH CIRCUIT'S DECISION
DOES NOT ALTER ESTABLISHED
TRADEMARK LAW -- APPLIES TO
CASE OF UNIQUE PRODUCT, ITS
OWN GENUS, SINGLE MANUFACTURER,
EXPIRATION OF PATENT, NO OTHER
NAME FOR PRODUCT -- PETITIONER
CREATES SHAM ISSUES INSTEAD**

Petitioner raises a sham issue when claiming that the Ninth Circuit requires that the upholding of a trademark against a claim of genericness, necessitates that a majority of the persons surveyed must be able to identify the actual name of the product's producer. This sham issue appears at pp. 13-18 of the petition (e.g., at p. 13, "out of affection for the producer", meaning "loyalty to a particular producer" (p. 14); then "specific loyalty to the publicly unknown manufacturer" (p. 17); then "fondness for Universal City Studios, Inc." (p. 17). There never was such a determination or issue in the litigation, which is

explained at pp. 16-18, 30-31 and 60 in this brief.

It was always recognized in this litigation that trademark validity does not require that the public know the name of the trademark owner. However, petitioner's arguments in its petition often include this sham issue, which makes such arguments meritless and irrelevant.

After setting up this sham issue (claimed rejection of well-established "anonymous producer" principle), petitioner then (at p. 16-17) goes on to misrepresent the Ninth Circuit's holding in Anti-Monopoly II by claiming that it "conditioned the continued validity of the "MONOPOLY" trade-mark on whether a majority of purchasers say that they would purchase the game 'primarily because I like Parker Brothers' products.'"

See pages 16-18 above where respondent has already explained this point.

Petitioner also argues as an aside (at pp. 15-16) that Judge Learned Hand in his Aspirin decision declined to emphasize that a showing against genericness could be made in part by using a purchasers' motivation survey. The matter was not discussed by Judge Hand. Anti-Monopoly's argument on its "Motivation Survey" is set forth at pp. 38-43.

Petitioner goes on to cite "PAC-MAN", "E.T.", "TIDE", "TRIDENT" and "WHEATIES" (p. 17) ("TIDE" being the only one of such trademarks which has previously been mentioned in this litigation) and claims that the Ninth Circuit's decision "immediately jeopardizes many of the most successful marks on consumer products". This is sheer nonsense. The

claimed jeopardy to the "PAC-MAN" and "E.T." marks is based on the Ninth Circuit's non-existing ruling against anonymous sources. The supposed threat based on the "TIDE" Survey was discussed at p. 13-15 above.

The buyer motivation issue is used to suggest that the "TRIDENT" and "WHEAT-IES" trademarks are in peril. On the statement given, there is no way anything can be said about "TRIDENT"; however, the "WHEATIES" example demonstrates the opposite, that the primary significance test using buyer motivation would count the answer cited by petitioner (p. 17, "breakfast cereal endorsed by champion athletes") as source significance since Anti-Monopoly I clearly tabulated consumer satisfactions of a product based on advertising as source-related.

If petitioner has been misleading trademark owners with these sham issues, to get them to support petitioner with amicus briefs, this would explain the alleged "consternation among owners of nationally known trade-marks" (p. 14). The consternation is artificial and unwarranted, but apparently needed by petitioner to support its meritless arguments before this Court.

The Coca-Cola Company v. The Koke Company of America, 254 U.S. 143 (1920) arose as an infringement defense based on fraudulent use of a trademark by its owner, rather than any issue of genericness. Judge Holmes did not use "secondary meaning" in the traditional trademark sense because secondary meaning arises when the producer has greater significance than the product.

II

**THE NINTH CIRCUIT'S DECISION
EXPRESSLY FOLLOWS "SHREDDED WHEAT",
A LANDMARK PRECEDENT OF THIS COURT
AND DOES NOT CONFLICT
WITH DECISIONS OF OTHER CIRCUITS**

A. This Court's Precedent Followed:
Petitioner lists four alleged ways in which this Court's celebrated Shredded Wheat decision was misunderstood by the Ninth Circuit (Pet. at p. 18), but petitioner is wrong: (1) the term "monopoly" is almost as descriptive as "shredded wheat", referring to the patented monopolizing feature; the increases in payments players can charge in line with the degree of monopoly power they hold; and the object of the game being to monopolize the board. It is the nearest word or term which could be used to describe a game of such type, and would be needed by anyone who wanted to market such a game, or its

antithesis (such as "ANTI-MONOPOLY"); (2) because of the patent period and accompanying trademark, both products (monopoly game and shredded wheat) were known only by the trademark name, during and after the patent period; (3) in both cases, the trademark owner permitted the mark to become generic through abandonment (as the term is used in the Lanham Act); both marks were declared generic by the courts, and the fact that no competitor entered the shredded wheat market for a long period of time under the generic name was held to be irrelevant by Judge Brandeis in the "Aspirin Case"; and (4) denial of registration because of a statutory 10-year limiting period had no bearing on the outcome of Shredded Wheat; exclusive use of the "Shredded Wheat" trademark of Nabisco was lost upon expiration of the patent and could not be recaptured by the de facto secondary meaning.

The Ninth Circuit cites Shredded Wheat for: (a) single-manufacturer case, association by the public with the single producer (anonymous or not) has no trademark relevance; (b) a trademark used generically passes into the public domain after patent expiration; and (c) even after invalidation as generic of the MONOPOLY trademark, Anti-Monopoly must still take reasonable care to inform the public of the source of its product.

Petitioner raises the sham (anonymity) argument again by pointing out (correctly) that Shredded Wheat does not require the public to identify the trademark owner's actual name to establish primary significance.

B. Decisions in Other Federal Circuits -- Petitioner cites cases (Pet. at p. 20-21) relating to the sham anonymity issue, requiring no further comment; one case (footnote 14, p. 20) relates to the

"absurdity issue" raised in petitioner's 1st Question and discussed above (p. 3)⁵; and 7 cases (p. 21) which supposedly show that courts uphold trademarks more susceptible to genericness challenge than the word "MONOPOLY" applied to a board game; but the genericness of "MONOPOLY" was much stronger than in these cases (HOTRAY, THE UNCOLA, BEMBERG, CON-TACT, Q-TIPS, CLUB CRACKERS and DICTAPHONE).

Marks v. Polaroid Corp., 129 F. Supp. 243, 270 (D. Mass. 1955), aff'd on unrel. grounds, 237 F.2d 428 (1st Cir. 1956), cert. denied, 352 U.S. 1005 (1957) was cited by petitioner (p. 21) as a

5. Judge Nies rightly opposes motivation studies when their object is to determine if "the (primary) reason" for buying something is to get "the product" or "to seek out particular sources". He is not at odds with Anti-Monopoly II since he refers approvingly to G.D. Searle & Co., 360 F.2d 650 (CCPA 1966), in which trademark registration was denied for a name which was the only name for a product constituting a genus of one.

Circuit Court case involving a trademark not invalidated for genericness; but the case was affirmed by the First Circuit on non-trademark grounds, 237 F.2d 429. The trademark issues were never before it.

Petitioner cites leading generic decisions and tries to distinguish them, without success: (1) claiming they involved inadequate policing and permitting generic use (p. 22), but petitioner also policed inadequately and allowed generic use by others; (2) the three cases involved competitors in the marketplace after expiration of the patent; but the Lanham Act cancellation provision does not recognize this as a distinction; see Shredded Wheat; and the legislative history of the Lanham Act, pp. 43 et seq. herein; Thermos did not involve a patent.

In attempting to show that Anti-Monopoly II misapplied the "Aspirin",

"Cellophane" and "Thermos" opinions, petitioner claims that these cases do not apply when a trademark identifies both the source of a product and the unique product itself (Pet. at 23):

"The Ninth Circuit's fundamental error was ... that a trademark may survive only if purchasers rely on the trademark to identify the source rather than to identify the unique product."

Petitioner here is trying to confuse the instant situation of product uniqueness (constituting its own "genus") with the typical market situation where slightly differentiated products compete with each other claiming the differentiations make each product unique.

Anti-Monopoly I held that "Monopoly may constitute its own genus" (Pet. App. at 48a). As petitioner wrote about Anti-Monopoly I, the Ninth Circuit had indicated that a distinctive game such as "MONO-

POLY" could be "its own genus" (Pet. at 7) so that the mark by which it is known to the public would become generic and the owner would then lose his trademark rights (Pet. at 7). With this question before it, the District Court upon remand found that the game "Monopoly" is so unique that "it will not suffice to analyze source-related as opposed to source-irrelevant characteristics because most source-related characteristics (e.g., price, style, durability, quality) are primarily relative terms, implying a comparison with product substitutes, or near substitutes. Here there are no substitutes; there is only MONOPOLY" (Pet. App. at 30a).

If the District Court had understood the law and had been willing to apply it, the District Court should have invalidated the "MONOPOLY" trademark at

this point since it had found that the game "Monopoly" is a genus of one, and it had accepted the "THERMOS" survey which showed that the public has no other name for this product.

But in any case, this finding distinguishes this case from the mass of "unique" products in the sense of "differentiated products" for which producers spend enormous sums in advertising to maintain consumer loyalty against "near substitutes" (e.g., "TIDE" and "COCA-COLA").

This genus-type uniqueness also explains why petitioner managed to rack up huge, steady sales of "Monopoly" without any paid advertising. If you have a popular game and if there are no substitutes or near substitutes for it, there is no need for defensively reminding the

public of this type of "uniqueness" by product differentiation.

It also explains why the primary significance of ANTI-MONOPOLY I cannot be mechanically extended to the very different subject of detergents (ANTI-MONOPOLY-II, Pet. App. at 18a), or even to the whole world of games where many games are near-substitutes for each other. While the primary-significance test suggested by Anti-Monopoly II is the ultimate test of genericness, different types of products may well require different tests. The generic problem of product-differentiated goods, puffing their uniqueness, is simply not relevant to this litigation, no matter how hard petitioner argues.

The Ninth Circuit also did not misapply the "ASPIRIN", "CELLOPHANE" and

"THERMOS" cases by stating that source-identification and product-identification functions must be viewed as mutually exclusive alternative. Under the Shredded Wheat holding, this was appropriate, to eliminate the effect of de facto secondary meaning. Furthermore, the ability to distinguish source identification from product identification is at the heart of the concept of secondary meaning and of the quality controls that accompany trademark licensing. In fact, petitioner argues, erroneously, that it is impossible to identify factors which are source-related and factors which are product-related, so that the Supreme Court's primary significance test in the Shredded Wheat case as carried over into the Lanham Act cannot be administered because it would be impossible to sum up separate categories. But this is absurd, because it eliminates all objective testing, pre-

vents determination of relative strength, and admits that you cannot ascertain if a trademark has source-related features. Petitioner's stand would leave trademark law in shambles. You could not have a genericness doctrine, secondary meaning, de facto secondary meaning, and licensing (with accompanying quality controls).

C. Petitioner's Motivation Argument Lacks Merit (at p. 23) -- Petitioner claims that the Ninth Circuit decision conflicts with other circuits concerning its suggested Motivation Survey to determine primary significance. But the Second Circuit held in the "CELLOPHANE" case that "what was in the customer's mind" was material for trademark validity purposes, Dupont Cellophane Co. v. Waxed Products Co., 85 F.2d 75, 81 (2nd Cir. 1936). Also, in the "ASPIRIN" case, Bayer Co., Inc. v. United Drug Co., 272 F. 505, 509, 513-514 (SDNY

1921), there are constant references to buyer motivation, i.e., how buyers use the trademark when they want to buy products. Also, in the "THERMOS" case, King-Seeley Thermos Co. v. Aladdin Industries, Inc., 207 F. Supp. 9, 21-22 (SDNY 1962), aff'd, 321 F.2d 577 (2d Cir. 1963), the District Court accepted as its dispositive survey a poll which among its key questions asked motivation questions (see footnote 8, "If you were going to buy one of these (described) containers tomorrow -- that is, the type that keeps food or beverages hot or cold -- what type of store would you select to make your purchase?; and "What would you ask for -- that is, what would you tell the clerk you wanted?").

Instead of being in conflict, the decisions in these 3 cases are wholly consistent with the Ninth Circuit's decision on this evidentiary matter.

The quote from Judge Williams' decision (Pet. at p. 23) clearly reveals his failure to understand primary significance: "The dispositive issue hence is not why consumers buy MONOPOLY sets, but rather, what is their understanding of the name MONOPOLY?" (p. 23). The question asked by Anti-Monopoly was not why consumers buy Monopoly sets, but rather why consumers buy Monopoly.

MONOPOLY alone, not ^{MONOPOLY} sets, is a word used by customers motivated to buy the MONOPOLY sets. The MONOPOLY sets are things which are symbolized in language by the word MONOPOLY. The meaning of a MONOPOLY set to a buyer is the same as the meaning of the word MONOPOLY unless the buyer does not understand the language. Whether MONOPOLY here is generic or not depends on whether the thing bought means to the buyer mainly source-related or product-related attributes. And since

the word MONOPOLY stands in the consumer's mind symbolically for the object, whatever holds for the thing holds for the word. To define and differentiate source-related from product-related attributes in the consumer's mind is a difficult task in some areas where product differentiated goods compete with each other by fine distinctions but it is straight-forward in board games where product attributes and source-attributes largely run parallel to the two easily distinguished dictionary definitions of "game": "competition or sport like football", or "game equipment".

Therefore, when consumer responses to the "Why do you buy Monopoly?" question are largely product-related (playing), then that gives objectively (a) the consumers understanding of source-related versus product-related features of the game product bought and

(b) the consumers' understanding of the name with which he makes his purchase.

Conceivably, therefore, primary significance could be tested effectively either by probing the consumers' understanding of the trademark or through a buyer motivation test. In most primary significance cases, as in Anti-Monopoly I and II, the courts have preferred the buyer motivation test. The reason is that buyer motivation test narrows the scope of "meaning" down to the commercial sphere within which trademark law functions. And secondly, consumer respondents will give more thoughtful answers when their money is on the line.⁶

6. In the case of Monopoly, it was especially easy to design primary significance questions and get thoughtful answers from buyers because the form game-playing takes, a product feature in the public domain after lapse of the patent, is easily distinguishable from game equipment, which is source-related.

Trademark law has to be put in a context of buyer motivation, its functioning in a commercial economy, which is, on the one hand, to prevent other businessmen from motivating buyers to purchase their competing product by means of a trademark which belongs to someone who has built source identification and reputation with his trademark while, at the same time, preventing the anti-competitive abuse of trademarks if they are generic.

III

THE NINTH CIRCUIT'S DECISION IS CONSISTENT WITH THE LANGUAGE AND LEGISLATIVE HISTORY OF THE LANHAM ACT

Petitioner now raises an issue for the first time in this litigation, that a "common descriptive name" as found in the Lanham Act means something other than "generic".

From the inception of this litigation up to the filing of petitioner's petition, everyone in this litigation has agreed that "common descriptive name" means "generic". Judge Williams in his first opinion used the 2 terms interchangeably (Pet. App. D at 56a, 57a); petitioner's own brief to the court of appeals in Anti-Monopoly I stated:

"The trial court found that MONOPOLY was not, either at the time of its adoption or now, the generic or common descriptive name of any real estate trading games (sic)" (p. 19)

Petitioner did not object to this interchangeable use of the two terms by Judge Williams. Also, on page 18 of the same brief, petitioner quoted from Judge Williams' interchangeable use of the two terms, also without taking any exception to such use. No discussion or argument of any kind was ever raised by any of the parties or any of the courts to the effect

that there was any difference in meaning between "common descriptive name" and "generic". The Ninth Circuit in both decisions used the terms interchangeably. In its first opinion, the court of appeals defined "common descriptive name" as "'generic' name"; and stated that "Courts equate 'common descriptive name,' as used in the statute, with the shorthand expression 'generic term', citing Abercrombie & Fitch Co. v. Hunting World, Inc., 537 F.2d 4, 9 (2d Cir. 1976). (Pet. App. C 37a, 40a). Also, see Miller Brewing Co. v. Heileman Brewing Co., 561 F.2d 75 reh. & reh. en banc den. (7th Cir. 1977), cert. den., 434 U.S. 1025 (1978) ("LITE" beer). In its second opinion, the court of appeals referred readers to its opinion in Anti-Monopoly I concerning the law about generic terms (Pet. App. A at 4a) and said if a trademark becomes generic it is invalid as a "common descriptive name". Everyone accepted the

proposition that the two terms were interchangeable in this litigation.

Now, after almost 9 years of litigation, petitioner's new attorney (retained for this petition) looks at the Lanham Act and proceeds to argue in this litigation that "common descriptive name" is not the same as "generic".

Petitioner now argues that cancellation of a registered trademark requires something other than proof of genericness; petitioner argues that the trade name must be used as the name for competing products (common in the sense of several producers rather than the common name for a product). Further, petitioner argues, that as long as only a single manufacturer is making the product, then the trademark is valid even though it is generic. Thus, a trademark which is used

as the generic name of a patented article would remain valid even after expiration of the patent, if the trademark owner succeeds in keeping other manufacturers out of the market by denying them use of the name by which people ask for the product.

This issue was settled in Kellogg Co. v. National Biscuit Co., 305 U.S. 111 (1938) (the "Shredded Wheat Case") and this case was by apparently unanimous agreement carried over into the Lanham Act. See Trade-Marks: Hearings on H.R. 82 Before the House Comm. on Patents, 78th Cong., 1st Sess. (1943), pp. 22-34, as follows:

Mr. Vanderbilt: * * * Section 33(b) in its present form would provide a new method of monopolization through the freezing of names which heretofore have been treated as public property, as private property, under the guise of trade-marks.

It was stated at the hearings before the subcommittee that sec-

tion 33(b)(4) did not change the present law and that the Shredded Wheat, Aspirin, and Cellophane cases would be decided the same way under the proposed bill, as under the prior law.

If that is so, what is the necessity for this provision, and why the change from S.895 in its original form?

The answer was made that the rights of the owners of trade-marks, and the rights of the public are protected under the definition of abandonment in section 45 of the act on page 46, sustain the contention that section 33(b)(4) does not change the prior law. But certainly there can be no claim of abandonment in a case where the owner of the trade-mark had a patent which expires but where he continues to sell and market his goods, so in the very case where one most needs to find relief, one gets no help whatsoever from the doctrine of abandonment.

In view of the position taken by the proponents of the bill that the important precedents that I referred to, Shredded Wheat, Aspirin, and Cellophane cases, are unchanged by section 33(b).... p. 22).

* * *

MR. VANDERBILT. Your Honor is giving me the Shredded Wheat, Aspirin and Cellophane cases under

a new name, and the tests the courts have proposed and which, so far as I know, have been universally accepted are these:

That when, after the lapse of time, certain terms come to acquire a public meaning, that meaning cannot be kept away from the public by an individual.

* * *

MR. LANHAM.... Sure-Clean ... can acquire a secondary meaning, can't it?

Mr. Vanderbilt. It would all depend on whether or not over the years, when the people wanted to have the product they had come to call for Energine or Shredded Wheat or Cellophane.

If those were the only names by which this product was known, and the public, when it wanted a thing to do the particular thing that those various commodities did, called for it by that name, then that name, according to the decisions of the courts, is said to be in the public domain.

Mr. Lanham. Suppose I don't have any patent on the Sure-Clean. It is just a trade-mark.

Mr. Vanderbilt. The same thing. I don't think it would make any difference. * * * (I)f people in general accepted it to be that, to the extent where the court found, as a matter of fact that it was a

generic term, then the word becomes public. That is the decision of our United States Supreme Court and several of our circuit courts.

Otherwise, there would be articles which we all wanted which we could not get, because we would not have a name to call them by.

The only one you could get them from would be the original manufacturer long after his patent rights expired.

May I say that this view of the law, as developed in the Shredded Wheat, Cellophane, and Aspirin cases, has been codified in the Restatement of Law and seems to be consistently applied.

All we are asking on this third and final point is that the law shall not be changed on that point, and that seems to be the desire of the proponents of the act....(p 24).

* * *

Mr. Byerly. * * * (T)he trade-mark owner ... may, intentionally, make his trade-mark and use it, not as a trade-mark but as the name of his product. ... (G)ets into the situation where he tries to eat his cake and have it too. That is, he would like to have all the public, whenever they wanted this kind of an article, call for it by his name, and he would like to have all dealers pre-

vented from selling anything but his particular article when that name was used. Of course, there is a straddle a man cannot make. He has either got to use it as a trade-mark and let the public associate with it what they will, and keep his trade-mark, or if he wishes to bring out a new article and coin a name for that article and make that the name of the article....

To deal with that situation ... we felt that putting that in the language defining abandonment was rather a definite way of dealing with it. ... It begins at line 14, 'When any course of conduct of the registrant including acts of omission as well as commission, causes the mark to lose its significance as an indication of origin.' ... It is abandoned, under those circumstances....

Mr. Lanham. Would that apply on a patent that had expired?

Mr. Byerly. Yes, it would; and that is a question on which the law is not quite so categorical, it seems to be, as our friend suggested, because if the trade-mark or what was originally a trade-mark has become the name of the patented article, that has become, not of secondary significance but its primary meaning. That is what it means. It is quite well recognized that when the patent expires, anybody can make the article, and anybody can call it by its name. That does not mean, by any means, that

every trade-mark used on a patented article, expires when the patent expires. ... (W)here a man practically christens his patented article with a name and gives the public the idea that that is the name of that article why then we have a situation such as is meant here under abandonment. That is, when the patent expires, that name loses its significance.

Mr. Lanham. could I now put out a product and call it "Sweet Loaf" and say descriptive under it, "This is a shredded wheat"?

Mr. Byerly. Could you now?

Mr. Lanham. Yes.

Mr. Byerly. I think you could. That is, the court has held that the "Shredded Wheat" trade-mark is invalid.

Mr. Lanham. Then the term has not become so generic that I could not use it descriptively; is that right?

Mr. Byerly. You can use it descriptively now, because the court has held that it is the name of this particular sort of an article. What that actually happens, it seems to me that the trade-mark significance is gone. ... (W)hen we concede the conclusion reached by the Supreme Court, that those terms had come to mean to the public a particular kind of biscuit, regard-

less of where it came from, why then, your significance of origin is gone, and you have a word which is just like any descriptive name and which anybody can use.

Mr. Lanham. And that is the significance of this particular provision on abandonment, as you remember it?

Mr. Byerly. That is precisely the significance of it, and since it is in there, and I think a better place to have it than merely as a defense, because if it is an abandonment, it means not merely that anyone who is sued for infringing on this abandoned mark can be protected, but it means that you can actually strike the mark off the register, you are through with it, it is gone. (pp. 27-28)

* * *

Mr. Martin. * * * In my opinion, the Cellophane case would have been decided exactly as it was decided had H.R. 82 been enacted at that time. The other case which was mentioned was the Shredded Wheat case. We have the same situation in the Shredded Wheat case. ... (In my opinion, it is very clear that had that decision been rendered after the enactment of the bill H. R. 82, the same decision would have been reached. In other words, I feel that the present H. R. 82 will not and would not affect the decisions which heretofore have been made in connection with generic

terms. In fact, I think it would make it much easier for the courts to reach those conclusions. (p. 34)

Also, see Trade-Marks: Hearings on H.R. 82 Before a Subcomm. of the Senate Comm. on Patents, 78th Cong., 2d Sess. (1944), as follows:

Senator Pepper. * * * (A)ny court in the world that would read this record would certainly see that it is the intention of this committee and the intention of the authors of the bill, and will be the intention of the Congress, not to encourage monopoly.... (p. 144)

Also, see Registration and Protection of Trade-marks: Hearings on S. 2540 Before a Subcomm. of the Senate Comm. of the Judiciary, 83d Cong., 2d Sess. (1954), pp. 93-94, letter from William P. Rogers, Deputy Attorney General, stating in part:

* * * * The bill would eliminate the ground for cancellation ... that the mark does become a common descriptive name of an article or substance on which the patent has expired (e.g., 'linoleum,' 'aspirin,' 'shredded wheat') would be, in effect, to continue some

aspects of the patent monopoly beyond its term.

"We understand that a suggestion will be made that this portion of the bill be amended to merely eliminate the phrase in the present act 'on which the patent has expired.' This would broaden the present law to include all cases in which the mark has become the common descriptive name of an article. If so changed, this Department would not object to this provision of the bill.

* * *

"Section 11 would amend section 15 of the present act by eliminating therefrom subsection (4), which is to the effect that 'no incontestable right shall be acquired in a mark or trade name which is the common descriptive name of any article or substance, patented or otherwise.' The provision deleted by this amendment is a clear statement of the fundamental principle, long recognized in trade-mark law, that a common descriptive word should not be subject to exclusive appropriation by one person. This Department is opposed to the deletion of subsection (e), which sets forth this salutary principle. It would not object to a suggested revision of the bill which would keep this subsection but would omit ... the phrase 'patented or otherwise'."

Petitioner does admit that incontestability is lost if the mark is aban-

done through commission or omission of the trademark owner (Pet. at p. 27). This is precisely the case. Petitioner chose a trademark which was highly descriptive, which described the essential monopolizing features of the game. Also, petitioner failed to spend even \$1 to advertise MONOPOLY, which also means that petitioner did not spend anything to educate the public about the source-significance of the mark; and never used the trademark on any products or services other than the one game, which was an omission of a tactic used by other vulnerable trademark owners to augment the source significance of their mark to make it clear that the mark is associated with more than one product and does not represent one product itself. Also, petitioner promoted the game by holding "Monopoly tournaments", which was a product-related use of the mark.

Petitioner recognized its generic problem during the 1950's, when the patent expired, and sought to cure it by eliminating references in the game rules to becoming the "monopolist" as the objective of the game; and also by creating the hopeful "generic" term "real estate trading game equipment". However, given the lack of advertising and failure to mount an educational campaign to advise the public of its claim of a trademark in the term MONOPOLY, the rule changes were not enough and MONOPOLY remained a generic term.

These acts of omission and commission caused the statutory abandonment, which results in loss of the MONOPOLY trademark as envisioned under the Lanham Act.

The Ninth Circuit detailed the omissions and commissions of petitioner (Pet. App. A at 12a):

"... To us, the evidence overwhelmingly shows that they very successfully promoted the game of Monop -

oly, but that in doing it they so successfully promoted 'Monopoly' as the name of the game,' that it became generic in the sense in which we use that term in trademark law."

Petitioner's belated, contrived argument of statutory construction does not change this result. A look at the legislative history shows Shredded Wheat was carried over into the Lanham Act; that "common descriptive name" has the same meaning as "generic"; that the same result applies whether or not a patent was involved; and that the abandonment occurs by reason of the trademark owner's omission and/or commission, and regardless of whether or not another manufacturer of the same product is in the marketplace.

IV

THE NINTH CIRCUIT WAS CORRECT IN OVERTURNING
THE DISTRICT COURT DECISION AS
"CLEARLY ERRONEOUS" -- RESPONDENT'S SURVEYS
AND EXPERTS CAREFULLY FOLLOWED THE
NINTH CIRCUIT RULING WHILE
PETITIONER'S SURVEYS AND EXPERT TESTIMONY
DID NOT AND WERE IRRELEVANT

The district court's fact finding which the Ninth Circuit reversed reads: "As a game trademark, MONOPOLY primarily denotes its producer, Parker Brothers..." (Pet. App. at 31a). The Ninth Circuit ruled that "as applied to a board game, the word 'Monopoly' has become 'generic'", i.e., "Monopoly" is used by the public primarily as the indicator of a game to be played.

A discussion of the Ninth Circuit's reasoning is also set forth at pages 12-18 and 20-21 above.

Also, the District Court rejected Anti-Monopoly's Motivation Survey with the comment that the "primary significance" test "does not seek an explanation of an actual purchaser's motivation for purchasing the game. The two are not the same." (Pet. App. at 27a). The Ninth Circuit held that Anti-Monopoly's survey followed its decision in Anti-Monopoly I

and that all of Judge Williams' objections to the Motivation Survey "were clearly erroneous" (Pet. App. at 16a).

Judge Williams rejected the Motivation Survey because it included in its screening question "Business board game produced by Parker Brothers" (Pet. 28a), and added that the screening question therefore "brushes aside as an assumed fact, the very fact on which the Ninth Circuit...mandated further inquiry".

But this is no more than the sham issue surfacing once again. Anti-Monopoly II stated that "No evidence or expert opinion was given to support this view and it has no inherent plausibility." (Pet. App. at 16a). See p. 17 above and Pet. pp. 41a-42a for a discussion.

This screening question (carefully balanced between product and source indicators) was used solely to obtain respon

dents who were past or probable purchasers of Monopoly. Persons who were aware of Monopoly (even if they did not know that Parker Brothers was the source) were kept in the survey.

Judge Williams found that the Motivation Survey was inherently biased in favor of Anti-Monopoly "including intimations that Prof. Anspach suggested the language which was used" (Pet. App. at 28a, fn. 4). The Ninth Circuit found no merit to these objections (Pet. App. at 16a-17a) and also held that the Motivation Survey was "a reasonable effort to find" ... "the sense in which a purchaser used the word 'Monopoly'" (Pet. 16a).

Judge Williams argued that the Motivation Survey was overwhelmingly prone to subjective grading (Pet. App. at 28a, fn. 4), but the Ninth Circuit held that Anti-Monopoly's "categories were reasonable ones" and not to be rejected because

of the use of human judgment in the grading process (Pet. App. at 17a). Also, Anti-Monopoly offered the raw responses in evidence, but petitioner objected to this evidence and the offer was withdrawn, at which point Judge Williams said: "if (counsel for petitioner had) asked for them, he could have received them. If he received them, he could have turned them over to his expert to check them out and see if they give a reliable or non-reliable basis for the opinion. But since he didn't ask for them, I don't think they should go into evidence." (Pet. App. at 17a). The Ninth Circuit then stated that "General Mills cannot now argue that the raw responses were not in fact correctly categorized" (Pet. App. at 17a).

It should be noted that Judge Williams never rejected the testimony of Anti-Monopoly's expert witnesses on the basis of lack of credibility or competence. His rejection of Anti-Monopoly's THERMOS survey in the first trial was that it did not convince him by itself that MONOPOLY was generic. He implicitly accepted its result that the public calls the game only by the word "Monopoly" since he ruled in his first decision that the public's understanding is that the particular game "is called Monopoly" (Pet. App. 59a). Therefore, there is no disagreement between Judge Williams and Anti-Monopoly II regarding this crucial fact. Judge Williams' rejection of the buyer Motivation Survey in the second trial was based on the questions asked in the survey, which the Ninth Circuit has upheld.

In regard to petitioner's promotional expenditures, Judge Williams was

impressed by the amount of money spent on publicizing petitioner's MONOPOLY mark in his first decision (Pet. App. 55a) and in the second decision, he wrote: "Parker Brothers has expended substantial time, energy and money on promoting and policing their trademark, spending over \$4 million in advertising expenditures." (Pet. App. 30a). The Ninth Circuit found that the evidence showed that petitioner's promotion "promoted Monopoly" as "the name of the game" .. "so successfully" ... "that it became generic" and that, therefore Judge Williams' conclusion that the non-existent advertising and the promotion kept the mark from being generic was a "mistake". The only testimony for petitioner was in regard to the promotion of the game, and no witness or document proved any advertising expenditure.

Judge Williams' findings upon which he based his second decision in petition

er's favor were discussed at length by the Ninth Circuit in its opinion (Pet. App. at 9a-19a). In addition, the Ninth Circuit pointed out that the term "monopoly" was descriptive of the game's objective and that petitioner "subjected itself to a considerable risk that the word would become so identified with the game as to be 'generic.'" (Pet. App. 11a).

CONCLUSION

For the foregoing reasons, the petition for a writ of certiorari should be denied.

Respectfully submitted,

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APPENDIX I

P. 31 11/18/82

Board Games Fighting Back Against Video

By CLAUDIA RICCI

Staff Reporter of THE WALL STREET JOURNAL

NEW YORK—If you can't beat 'em, join 'em. The makers of old-board games like Monopoly and Scrabble are fighting and joining their toughest competition—video games.

The board-game makers are battling hard and rather successfully to avoid getting 'zapped' by the likes of Pac-Man and Donkey Kong. Though video-game sales last year clobbered the board people, more advertising, new games and, in some cases, diversification into electronics have kept the board gamers as a force in the market.

Last year's rush to video games hit even Monopoly, the best-selling board game of all. The damage reports so concerned Parker Brothers Inc., the General Mills Inc. subsidiary that makes and markets Monopoly, that it began buying advertising for Monopoly for the first time since the game's introduction in 1935. Parker Brothers' television campaign, which began in August, has as its theme that "Parker Brothers' kind of fun brings people together."

Selling a Family Activity

Parker Brothers is using the same idea to sell four other board favorites, Clue, Sorry, Risk and Pay Day. What advertising Parker Brothers used to buy was directed at children, says R. Bruce Jones, marketing vice president, but it's now directed at parents, too. "What we're selling is the idea of an all-family activity," he says.

In implying that video games suit loners, the board-game advertising touches a concern of some parents. In any case, the advertising seems effective. Sales of all five games have picked up, and the company, as a consequence, is increasing its sales forecasts. Mr. Jones thinks the decline in sales of board games "has bottomed out. We've stemmed the tide," he says.

Sat., November 6, 1982

San Francisco Chronicle 3-

Game Goes Computer But It's Still Monopoly

Beverly, Mass.

The popularity of Monopoly once assured it a spot on the Boardwalks and Park Places of the game industry. But slipping sales and competition from video games have forced its maker to try new ways of selling the game that celebrates American capitalism.

"It has always been a simple case of keeping Monopoly in the public eye because the game was so big and so popular that it would take care of itself," said R. Bruce Jones, vice president of sales at Parker Brothers. "We just find that is not enough now."

To bolster sales, the company is breaking two of its rules: It is actively advertising and it is tampering with the game, adding a new computer accessory.

The gadget, called "Playmaster," keeps track of the action, cuts complicated loan deals and even rolls electronic dice with musical accompaniment. Playmaster tweedles out "I've Been Working on the Railroad" when a player lands on a railroad square, and the ominous opening notes of Beethoven's Fifth Symphony when it calls back loans.

"This adds a number of new elements. It makes it a faster, more aggressive game," Jones said.

Playmaster, which has been on the market since September, sells for \$60. So far, Jones said, it is a success.

Confronted with a drop in sales from 3 million games in 1974 to 2 million last year, Parker Brothers has also budgeted \$4 million to pitch Monopoly on television. But

unlike many toy ads, the commercials are aimed at mothers, not children.

"We're competing with very exciting, action-oriented games that are visually stimulating to a kid," Jones said, "but virtually every mother out there played our game when she was a child."

Despite the electronic lure of Pac-Man and Asteroids, Jones said Monopoly still holds a universal fascination — greed.

"I can tell you that the interest in money is still there," he said.

Associated Press

JAN 20 1983

No. 82-1075

ALLAN L. STEVAS
CLERK

IN THE
Supreme Court of the United States

OCTOBER TERM, 1982

CPG PRODUCTS CORP. and GENERAL
MILLS FUN GROUP, INC., *Petitioners,*

v.

ANTI-MONOPOLY, INC., *Respondent.*

On Petition For A Writ Of Certiorari To The
United States Court Of Appeals For The Ninth Circuit

PETITIONERS' REPLY BRIEF

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PETITIONERS' REPLY BRIEF

1. Respondent repeatedly characterizes as a "sham issue" (Br. in Opp. 23, 24, 27, 30, 60) the question whether a registered trademark becomes generic if a majority of the public is motivated to buy the product for its own qualities rather than out of loyalty to the producer. But that is *precisely* the distinction drawn by the "Motivation Survey" on which the court of appeals placed exclusive reliance in its reversal of the district court. Because 65 percent of the people who were asked to choose which of

two statements best expressed their reason for purchase said:

I want a "Monopoly" game primarily because I am interested in playing "Monopoly," I don't much care who makes it.

and only 32 percent chose:

I would buy Parker Brothers' "Monopoly" game primarily because I like Parker Brothers' products.

the court of appeals decided that the district judge *had* to find "that the primary significance of 'Monopoly' is product rather than source" (Pet. App. 18a). Indeed, the court of appeals summarized the survey in precisely these terms when it said that "two thirds of the members of the public who purchased the game wanted 'Monopoly' and did not care who made it" (Pet. App. 12a).

At no point in our Petition did we construe the opinion below as requiring the public to recall the precise name of the manufacturer of the trademarked product. We said, in the passages quoted at page 23 of the Brief in Opposition, that the Motivation Survey erroneously made the public's "affection" for and "loyalty" to a particular producer (*not* the ability to recall the producer's name) the dispositive element. The court of appeals held, entirely because of the Motivation Survey, that if 65 percent of the buying public does not "much care who makes it," the product's registered trademark is invalid. Only if a majority of the buying public had said that they bought the product "primarily because I like [the producer's] products" would the court of appeals have sustained that trademark. Thus, by the court of appeals' standard, the continued validity of the "MONOPOLY" trademark depends entirely on the issue which respondent describes as "sham"—*i.e.*, whether the public is motivated to buy the product because of its producer or because of the prod-

uct's own qualities.¹ That is not—and should not be—the proper standard of trademark law.²

2. Recognizing the weakness of the court of appeals' decision, respondent insists that the decision below was based on grounds other than consumers' statements that the product itself, rather than loyalty to the producer, motivates them to buy. But none of the three additional grounds enumerated by the respondent (Br. in Opp. 18) was actually relied on by the court of appeals. "The first part of the Motivation Survey," which respondent describes as establishing that 82 percent of those who bought the game mentioned "product indicators" as their reasons (Br. in Opp. 15-16), was not viewed as probative by the court of appeals. In the court's view, this 82 per-

¹ Respondent contends that the fact that the public occasionally identifies the game as "MONOPOLY" rather than as a "MONOPOLY" set is additional proof of genericness (Br. in Opp. 40-41). That argument is patently unsound. "TIDE" or "WHEATIES" do not become generic because purchasers speak of them without necessarily asking for "TIDE" detergent or "WHEATIES" cereal. And "TRIDENT" is not generic simply because it is referred to by its trademark alone, rather than as a pack of "TRIDENT" gum. Nor does the fact that there are competing detergents, cereals, and chewing gums distinguish these trademarks from "MONOPOLY." Contrary to respondent's insistence that "MONOPOLY" is so unique that it constitutes a "genus of one" (Br. in Opp. 35), it remains true that there are hundreds of competing board games with movable pieces.

² Respondent suggests that other trademark owners are concerned over the Ninth Circuit's decision because Parker Brothers "has been misleading [them] . . . with these sham issues" (Br. in Opp. 27). The newspaper articles which appear as an Appendix to this Reply Brief demonstrate that sound authorities, including knowledgeable law professors who are not easily misled by "sham issues," have expressed serious concerns over the effects of the court of appeals' decision. Attorneys representing many potential *amici* can also not be so easily misled.

cent "no doubt had both product related and source related reasons for buying" (Pet. App. 18a).

The second of respondent's asserted additional grounds—the "THERMOS" survey—was explicitly brushed aside by the court of appeals, which said that it was "compelling evidence of a proposition that is also dictated by common sense: an overwhelming proportion of those who are familiar with the game would ask for it by the name 'Monopoly' " (Pet. App. 14a). This is an uncontested proposition, which hardly required a survey. "TIDE," "WHEATIES," "TRIDENT," and "PAC-MAN" are also requested by their trademarks, and that is surely no evidence of genericness. Moreover, the "THERMOS" survey was characterized in the decisions of the district court and court of appeals in that case as only "corroborative" of conclusions based on other evidence. *King-Seeley Thermos Co. v. Aladdin Industries, Inc.*, 321 F.2d 577, 580 (2d Cir. 1963) (quoting from 207 F. Supp. at 22). Contrary to respondent's assertion, it was never considered "dispositive" (Br. in Opp. 39).³

Respondent's final suggestion is that the court of appeals based its decision on Parker Brothers' promotion of the mark "MONOPOLY." According to respondent, the game was promoted in a manner that caused the mark to become generic. The court of appeals' opinion does not, however, cite a single act of omission or commission by Parker Brothers that had this effect. Nor does it fault Parker Brothers in any way. It is clear that the court

³ Respondent has correctly pointed out an inaccuracy in footnote 8 of our Petition (Br. in Opp. 12), and we agree that the footnote should be amended accordingly.

⁴ While asserting that Parker Brothers vigorously policed all potential violations of its trademark (Br. in Opp. 6), respondent implies that these were efforts to extend its patent beyond its

below based its ruling entirely on the motivations expressed by consumers, and not on a theory of "abandonment, through acts of omission or commission" (Br. in Opp., i), on which respondent now claims that the decision rested.

3. In an effort to redeem the court of appeals' reliance on this Court's decision in the distinguishable *Shredded Wheat* case, respondent makes the far-fetched argument that the words "shredded wheat" as applied to the breakfast food are no more descriptive than the word "monopoly" as applied to Parker Brothers' board game (Br. in Opp. 28-29). That assertion is contrary to common sense and was squarely rejected by both courts below.

The cereal over which the Kellogg Company and the National Biscuit Company were litigating in the *Shredded Wheat* case was "a product composed of whole wheat which has been boiled, partially dried, then drawn or pressed out into thin shreds and baked." *Kellogg Co. v. National Biscuit Co.*, 305 U.S. 111, 113 (1938). The words "shredded wheat" therefore "describe[d] it with a fair degree of accuracy." 305 U.S. at 116. In this case, the product is a real estate trading game, using a board and movable pieces. The word "monopoly"—which has a commonly accepted meaning in the field of economics and in general usage—can hardly be said to describe a game "with a fair degree of accuracy."

statutory expiration. In fact, the trademark enforcement was entirely distinct from Parker Brothers' patent rights and did not depend on patent enforcement. Respondent's specific enumerations of policing in the first part of its Brief in Opposition also refute its later general allegation that Parker Brothers "policed inadequately and allowed generic use by others" (Br. in Opp. 32).

In fact, respondent unsuccessfully made the same assertion it has now presented in this Court to both courts below. Judge Williams rejected respondent's contention in his first opinion (Pet. App. 57a-58a; footnote omitted):

While monopoly is a common word in the economic sense, its application to a game constitutes an unfamiliar use and is therefore arbitrary and unique. Nor is MONOPOLY in this context a mere descriptive term. It does not describe a game playing board and its accompanying pieces. At the most, MONOPOLY is a suggestive title validly registered without the necessity of proof of secondary meaning.

The court of appeals agreed with Judge Williams' conclusion in the course of its second opinion. Discussing respondent's contention that the "MONOPOLY" mark had been generic even prior to its registration, the court of appeals stated the legal issue as whether a "particular term" used "by a small number of people" to designate a game may be registered as a trademark (Pet. App. 8a). The court then said (Pet. App. 8a; emphasis added):

When a small number of people use a particular thing and call it by a particular name, *one which is not a common descriptive term for the thing*, a person may appropriate the name and register it as a trademark . . . [W]here, as here, the potential market is nationwide, and *where the name is used only by a small number of scattered consumers*, appropriation of the name as the trademark of one who produces for that potential market does not restrain competition to a significant degree.

Notwithstanding this rejection by both courts below, respondent persists in describing Parker Brothers' mark as "highly descriptive" (Br. in Opp. 56) and attempts, on

this erroneous basis, to analogize this case to the *Shredded Wheat* decision.⁵

4. Respondent asserts that the court of appeals' Motivation Survey is consistent with the *Aspirin*, *Cellophane* and *Thermos* decisions (Br. in Opp. 38-39). In fact, each of these three courts emphasized *understanding* and *meaning*, not motivation.

The *Aspirin* court said (272 F. at 509):

What do the buyers understand by the word for whose use the parties are contending?

The *Cellophane* court said (85 F.2d at 77):

The real problem is what it meant to the buying public during the period covered by the present suit.

The *Thermos* court said (321 F.2d at 580):

But the test is not what is available as an alternative to the public, but what the public's understanding is of the word that it uses.

There is simply no support whatever for respondent's declaration that "[i]n most primary significance cases, as in *Anti-Monopoly I* and *II*, the courts have preferred the buyer motivation test" (Br. in Opp. 42).

5. We argued in our Petition that the court of appeals' decision conflicted with the Lanham Act *not* because the

⁵ Respondent also seeks to draw an inference adverse to Parker Brothers by erroneously stating that the mark "MONOPOLY" has not been used "on any products or services other than the one game" (Br. in Opp. 56). In fact, the mark has been used on jig-saw puzzles. Moreover, there is no more requirement that "MONOPOLY" be used on lamps than that "ROLLS-ROYCE" be used on roller-skates. Neither has "TIDE," "TRIDENT," or "WHEATIES" been used on any product or service other than the one with which each is popularly associated. That fact surely does not make these marks generic.

word “generic” has a different meaning than “common descriptive name” (Br. in Opp. 43-46), but because (1) the Lanham Act recognized legitimate trademark functions other than identification of a “source” or “origin” of goods, and (2) the “incontestability provision” of the Act was designed to permit a genericness challenge only where an owner’s acts of omission or commission established “abandonment” of the trademark. Respondent does not respond specifically to either of these points, both of which are supported—and not contradicted in any way—by the lengthy quotations from the Act’s legislative history which appear in the Brief in Opposition (pp. 47-55).

Indeed, respondent appears to concede that the court of appeals’ decision rests on the proposition that product-identification and source-identification are “mutually exclusive alternatives” (Br. in Opp. 37). Under this view, a valid trademark, even if not descriptive when registered, can have only a single function—source-identification. If at any time in its history, more of the public identify the product than the source by that trademark, the genericness line has been crossed and the trademark is no longer valid, irrespective of the lack of blameworthiness of the trademark owner. The Lanham Act did not contemplate such a result; its language and its legislative history refute it.

6. Respondent’s recitation of the court of appeals’ reversal of Judge Williams’ various findings (Br. in Opp. 60-65) buttresses our argument that Rule 52(a) was violated when the appellate court simply substituted its conclusion for the district judge’s. Respondent apparently concedes that the court of appeals, invoking only its own appraisal of the facts, (1) overruled the trial judge’s conclusion that the Motivation Survey was “inherently biased” (Br. in Opp. 61), (2) rejected the trial judge’s

finding that the survey rested on "subjective grading" (Br. in Opp. 61-62), (3) disagreed with the trial judge's disapproval of "the questions asked in the survey" (Br. in Opp. 63), and (4) reached its own conclusion on the effect of Parker Brothers' expenditures for promotion of its game (Br. in Opp. 64). Each of these areas should have been left for determination by the district court. With respect to each, there was substantial evidence supporting Judge Williams' conclusion. The court of appeals simply disregarded the standard of Rule 52(a), even while it was citing this Court's recent rulings enforcing the Rule.

CONCLUSION

For the foregoing reasons and those stated in our Petition, the writ of certiorari should be granted.

Respectfully submitted,

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Business and the Law | Tamar Lewin

Trademark Controversy

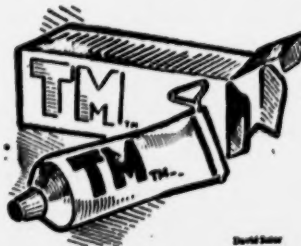
PARKER BROTHERS may have lost its monopoly on Monopoly and the reasoning of the court decision striking down its trademark has the owners of thousands of other trademarks on consumer goods up in arms.

"You could pick almost any consumer product manufacturer in the Fortune 500, and they'd be very concerned about this decision," said Brian Leitman, who teaches trademark law at the Georgetown University Law School. "The fear is that the court is going to start to punish people whose product is unique and well known by finding that uniqueness makes it more likely that the trademark will become the generic name of the product."

And since trademark protection is the name of the game in marketing all kinds of goods, many other trademark owners are likely to join Parker Brothers in a Supreme Court appeal of the Aug. 28 decision of the United States Court of Appeals for the Ninth Circuit upholding a competitor's right to sell a game called Anti-Monopoly.

According to the court decision, a trademark becomes invalid when it primarily denotes the product, not the producer. Under the law, the court held, a registered trademark must be canceled if it becomes "the common descriptive name of an article."

"Even if only one producer — Parker Brothers — has ever made the Monopoly game, so that the public necessarily associates the product with that particular producer, the trademark is invalid unless source indication is its primary significance," the court said. "When members of the consuming public use a game name to denote the game itself, and not its producer, the trademark is generic and, therefore, invalid," it added.



David Saxe

In the case of Monopoly, 65 percent of the consumers surveyed chose the statement, "I want a Monopoly game primarily because I am interested in playing Monopoly; I don't much care who makes it," and only 22 percent of the consumers surveyed chose the statement, "I would buy Parker Brothers' Monopoly game primarily because I like Parker Brothers' products."

Many trademark lawyers, however, think this is not the proper test.

"You don't have to know Crest is from Procter & Gamble to have the trademark identify the source," said Robin Rolfe, executive director of the United States Trademark Association. "If every time you pick up a tube of Crest, you know you're going to get the same quality and the same performance, that is an identification with the source, even though the source is anonymous. Until this decision, everyone thought anonymous sources were fine. And we still believe this decision is an anomaly."

Oliver Howes, who argued the case for Parker Brothers, said it would be appealed to the Supreme Court because it seems to be a divergence from the accepted interpretation of trademark law.

"Everybody always thought the test was purchaser perception, but now this decision says it's purchaser motivation," he said. "If it's purchaser perception, Monopoly does well. We conducted a survey about a number of terms, asking whether consumers thought they were a brand name, like Crest toothpaste, or a product name, like the word automobile. And in the survey, Monopoly was a brand name like Tide, not a product name like margarine." But by the court's reasoning, it might be necessary to call the product Parker Brothers' Monopoly in order to be protected.

Miss Rolfe said that "the effect of this test is that every consumer product trademark is going to fall unless it's marketed" as something like 3M Scotch Brand Tape. In fact, she added, some new advertising campaigns are already moving in that direction: "when you turn on the television and see the Parker Brothers advertisements, they must say Parker Brothers 100 times."

This approach could pose a special problem for companies such as Procter & Gamble that market a number of brands of the same product and play down the fact that all of them come from the one manufacturer. But if, say, the trademark Tide is now identified primarily with the laundry detergent product and not with Procter & Gamble, the producer, the new decision could force Procter & Gamble to start selling "Procter & Gamble's Tide" in order to protect its trademark.

Similarly, Monopoly would turn into "Parker Brothers' Monopoly" and competitors would be free to come into the market with a product called "Jones Brothers' Monopoly."

"I don't think this decision is right," Mr. Leitman said. "Parker Brothers has spent a lot of time and money promoting Monopoly. Under this ruling, conceivably, they could lose all their rights to someone who came along and sold their own version of Monopoly. That's not how trademark law is supposed to work."

Business



Thomas Oliver

Trademark ruling sends a big scare

The U.S. Ninth Circuit Court of Appeals sent a frightening message to the owners of trademarks last week: Most trademarks could be ruled generic.

The court's ruling also implied that companies which purchase trademarks, such as in the course of acquiring another company, may be purchasing worthless symbols.

The court ruled that Parker Brothers Inc.'s trademark for its board game Monopoly had become generic and the trademark was no longer valid.

Although many past trademarks have fallen into generic use — such as cellophane, nylon and escalator — the Ninth Circuit Court's basis for the Monopoly ruling has "turned trademark law upside down," according to Parker Brothers President Randolph Barton and trademark experts.

Parker Brothers plans an appeal to the Supreme Court, and, because of the precedent-setting nature of the Monopoly case, it may be one of the very few trademark cases ever to go to the high court.

Trademark protection legislation is considered by many as the first consumer protection law. The initial law and subsequent court rulings established trademarks as identifying a single product from a single source. Their value to the consumer was to guarantee consistent quality.

The old standard

If the trademark doesn't stand for a single product from a single source, then it is no longer a valid trademark. That, until last week, had been the standard by which a trademark was judged to be valid or generic.

But the Ninth Circuit Court said, "When a trademark primarily denotes a product, not the product's producers, the trademark is lost."

"When the consuming public uses a game name to denote the game itself, and not its producer, the trademark is generic and therefore invalid," the court wrote in its second reversal of a nine-year-old suit brought against the makers of Anti-Monopoly, another board game.

A customer going to buy the game Monopoly, according to this far-reaching decision, must know that Parker Brothers manufactures it. The court didn't address the fact that Parker Brothers is actually a subsidiary of another company, General Mills Inc. Technically, General Mills produces Monopoly, but how many consumers know that?

Acquiring companies that own valuable trademarks could become riskier if this ruling is upheld.

Coca-Cola's concern

Atlanta, of course, is the home of two of the world's most famous trademarks — Coca-Cola and Coca. And while Coca-Cola Co. General Counsel Robert A. Keller reasons that the new court ruling wouldn't threaten either of these trademarks — the names of the company and product are similar — he is concerned about the company's many other trademarks, such as Minute Maid.

Coca-Cola spends "millions of dollars" annually on its trademark protection program. If companies do nothing when their trademarks are violated, courts usually have ruled those trademarks invalid.

In addition to Coca-Cola, Xerox, Sanka, Kleenex and Johnson & Johnson's Band-Aid have been the focus of vigorous, successful trademark protection campaigns.

But others' trademarks, such as Bayer's aspirin, have become generic.

The American Thermos Bottling Co. lost its "thermos" trademark to generic use in 1962 partly because it had not defended thermos as a trademark. For 30 years, the company was "reluctant to object to non-trade generic uses of the word for fear of creating ill-will and for fear of losing the economic advantage which accrued to it through the widespread free advertising which resulted from such use."

That's like giving the trademark away, Keller said.

Staff writer Thomas Oliver reports on marketing.

MOTION FILED
JAN 18 1983

No 82-1075

IN THE SUPREME COURT OF THE UNITED STATES

OCTOBER TERM, 1982

CPG PRODUCTS CORP. and GENERAL MILLS
FUN GROUP, INC., Petitioners,
v.
ANTI-MONOPOLY, INC., Respondent.

On Petition For A Writ Of Certiorari
To The United States Court Of Appeals
For The Ninth Circuit

MOTION FOR LEAVE TO FILE BRIEF AMICUS CURIAE

BRIEF AMICUS CURIAE FOR THE BAR ASSOCIATION
OF THE DISTRICT OF COLUMBIA AND THE DISTRICT
OF COLUMBIA BAR IN SUPPORT OF THE PETITION
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No. 82-1075

**IN THE SUPREME COURT
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v.
ANTI-MONOPOLY, INC., Respondent.

On Petition For Writ Of Certiorari
To The United States Court Of Appeals
For The Ninth Circuit

**MOTION FOR LEAVE TO FILE
BRIEF AMICUS CURIAE**

The Bar Association of the
District of Columbia and the District of
Columbia Bar respectfully request the
Court to grant them leave to file a brief
as Amicus Curiae in CPG Products Corp. and
General Mills Fun Group, Inc. v. Anti-
Monopoly, Inc., No. 82-1075 which is on
petition for writ of certiorari to the
Ninth Circuit Court of Appeals.

On January 3, 1983 James N. Dresser on behalf of both Bar organizations requested permission from CPG Products Corp. and Anti-Monopoly, Inc. to file an amicus brief on behalf of CPG Products Corp.'s petition for certiorari. Counsel for Anti-Monopoly denied permission, and CPG Products Corp. consented. Copies of the correspondence have been filed with the Clerk of the Court.

The Bar Association of the District of Columbia is a voluntary nonprofit membership organization of over 4,400 attorneys. The District of Columbia Bar is a mandatory non-profit membership organization of over 38,000 attorneys. In both Bar organizations, membership is not restricted to any segment of the profession, and thus the members and their clients represent widely diverging

interests and views. In both organizations members include attorneys in private practice as well as those employed by corporations and those in government.

The Patent, Trademark and Copyright Law Section of the Bar Association of the District of Columbia includes members of the bar regularly practicing in and interested in trademark law. Likewise, members of Division 14, the Patent, Trademark and Copyright Division of the District of Columbia Bar, include attorneys regularly practicing in and interested in trademark law. Members of both of these groups regularly represent trademark owners and accused infringers and are thus concerned both with the enforcement of trademarks and with the defense against trademark infringement actions.

Therefore, the Bar organizations respectfully request this Court to grant them leave to file a joint brief as Amici Curiae in this case.

Respectfully Submitted,

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By Their Counsel

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I. AUTHORITY TO FILE

This Amicus Curiae Brief is submitted under Rule 36.1, together with a motion for leave to file brief Amicus Curiae.

II. INTEREST OF AMICI

The Bar Association of the District of Columbia is a voluntary nonprofit membership organization of over 4,400 attorneys. The District of Columbia Bar is a mandatory non-profit membership organization of over 38,000 attorneys. In both Bar organizations, membership is not restricted to any segment of the profession, and thus the members and their clients represent widely diverging interests and views. In both organizations members include attorneys in private practice as well as those employed by corporations and those in government.

The Patent, Trademark and Copyright Law Section of the Bar Association of the District of Columbia includes members of the bar regularly practicing in and interested in trademark law. Likewise, members of Division 14, the Patent Trademark and Copyright Division of the District of Columbia Bar include attorneys regularly practicing in and interested in trademark law. Members of both of these groups regularly represent trademark owners and accused infringers and are thus concerned both with the enforcement of trademarks and with the defense against trademark infringement actions.

In this brief the Bar Association of the District of Columbia and the District of Columbia Bar support the petition for a writ of certiorari of CPG Products Corp. and General Mills Fun Group, Inc.

It is the sole purpose of this brief to persuade this Honorable Court that the petition for certiorari should be accepted because the precedent set below radically alters established trademark law in a manner having immediate adverse consequences on the public and on trademark owners and because the decision below conflicts with decisions of the Court of Appeals for the Federal Circuit.

III. THE DECISION BELOW

This well known case is the culmination of a declaratory judgment action filed by Anti-Monopoly, Inc. in 1974 to invalidate Parker Brothers' MONOPOLY trademark for a real estate board game.

The trial court initially held the MONOPOLY mark valid in an unreported decision, but this decision was over-

turned by the Court of Appeals for the Ninth Circuit for having misapplied the criteria for determining whether a designation has become a common descriptive name (generic). (Anti-Monopoly, Inc. v. General Mills Fun Group, Inc., 611 F.2d 296 (9 Cir. 1979) Anti-Monopoly I). On remand, the trial court again determined the mark to be valid. (Anti-Monopoly, Inc. v. General Mills Fun Group, Inc., 515 F.Supp. 443 (N.D. Cal. 1981) Anti-Monopoly II) but was again reversed. In its second decision, the appellate court found the MONOPOLY mark a generic designation based primarily on a motivation survey submitted by Anti-Monopoly, Inc. (Anti-Monopoly, Inc. v. General Mills Fun Group, Inc., 684 F.2d 1316 (9 Cir. 1982) Anti-Monopoly III).

A single motivation survey was conducted for Anti-Monopoly. In this survey,

"people who said that they had purchased the game (MONOPOLY) within the last couple of years or would purchase it in the near future were then given a choice of two statements and were asked which best expressed their reasons. Sixty-five percent chose: 'I want a 'Monopoly' game primarily because I am interested in playing 'Monopoly,' I don't much care who makes it.' Thirty-two percent chose: 'I would like Parker Brothers' 'Monopoly' game primarily because I like Parker Brothers' products.' Anti-Monopoly III, 684 F.2d at 1324.

Based on the results of that motivation survey, the Ninth Circuit held that the primary significance of MONOPOLY was product rather than source and that the term had therefore become generic. Anti-Monopoly III, 684 F.2d at 1325-26.

IV. QUESTIONS PRESENTED

1. Whether the judicial standard enunciated by the Court of Appeals

for the Ninth Circuit, if generally adopted, would devastate the federal trademark system and would engender consumer confusion.

2. Whether the decision of the Court of Appeals for the Ninth Circuit conflicts with decisions of the Court of Customs and Patent Appeals as adopted by Court of Appeals for the Federal Circuit^{1/} both as to the applicable

^{1/} By reason of the Court Reorganization Act of 1982, Public Law 97-164, the Court Of Appeals For The Federal Circuit (CAFC) has been formed through the merger of the Court of Customs And Patent Appeals (CCPA) and the Court of Claims. While the reorganization was designed, at least in part, to eliminate conflicts between the Circuits in patent cases, concurrent appellate jurisdiction over trademark cases has continued. The Court of Appeals for the Federal Circuit (CAFC) has adopted the precedent of its predecessor courts, including the Court of Customs and Patent Appeals (CCPA). *South Corp. v. United States*, ___ F.2d ___, 215 USPQ 657 (CAFC 1982).

judicial standard and with regard to the MONOPOLY trademark at issue.

V. ARGUMENT

A. The Decision Below Devastates
The Federal Trademark System
And Will Engender Consumer
Confusion

The Ninth Circuit determined that the federally registered and extensively used trademark, MONOPOLY, was generic and therefore invalid. The judicial standard which forms the basis for this decision, if allowed to stand, would likewise provide a basis for destroying a great number of federally registered and famous marks for distinctive products of all sorts: laundry detergents, clothing, drugs, soft drinks, etc. This would obviously undermine the federal trademark law.

The current federal trademark law is the Lanham Trademark Act of 1946, 15 U.S.C. Sections 1051-1127. The question of when a registered trademark may be cancelled was discussed by Congress and language was carefully drafted to provide for that contingency. Section 14(c) of the Lanham Act, 15 U.S.C. Section 1064(c), authorizes cancellation of a trademark registration "at any time if the registered mark becomes the common descriptive name of an article or substance." Clearly, whether a mark has become "a common descriptive name" of a product depends on whether the public no longer associates what was a trademark with a single source. Motivation for purchasing a product does not address itself to that question.

The Ninth Circuit in holding the MONOPOLY mark invalid relied on a

motivation survey and confused public recognition of well known marks with the legislative requirement that the registered trademark have become a "common descriptive name" before cancellation of the trademark would be afforded.

A motivation survey seeks only to determine why consumers buy products and is not directed to the central question in any genericness case decided under the Lanham Act, which should be what a term means to consumers. As was cogently pointed out recently by Judge Nies of the Court of Customs and Patent Appeals, consumer motivation is, or should be, legally immaterial.

"The reason the public is motivated to buy the product, whether because of quality, particular features, source, pleasing design, association with other goods, price, durability, taste, or prestige of ownership, is of concern to market researchers but is

legally immaterial to the issue of whether a particular designation is generic."2/

Obviously, most consumers choose a particular product primarily because they desire that product and not because they have a fondness for the producer (source) of that product, whose identity they may not even know. As the district court observed in rejecting the motivation survey "(o)nly a shareholder of the General Mills Fun Group (Parker Brothers' parent) could reasonably be expected to purchase a Parker Brothers' game out of an affection or goodwill for the corporation." Anti-Monopoly II, 515 F. Supp. at 454.

2/ In re D.C. Comics, Inc., ___ F.2d ___, 215 USPQ 394, 404, special concurrence by Judge Nies (CCPA 1982).

Regardless of the outcome of this particular case^{3/}, the test for "genericness" promulgated by the Ninth Circuit will devastate the federal trademark registration system as a whole. This is so because the test adopted by the Ninth Circuit could render virtually every registered trademark unenforceable.^{4/}

^{3/} There are some commentators who feel that trademark registrations for games are suspect in general (see e.g. McCarthy, Trademarks and Unfair Competition §12:11C, 1973). At this time your Amici take no position on this issue.

^{4/} Based on the Ninth Circuit's decision, unethical exploiters of nationally known trademarks may now commission field surveys and, on receiving reports that more of the public identifies the mark with the product than with its manufacturer, begin to use previously registered trademarks on the ground that they have become the common descriptive name of a product. This will certainly sow chaos in the marketplace and engender an enormous amount of litigation, with its concomitant cost, which will ultimately be borne by consumers.

The precarious position in which trademark owners find themselves in the Ninth Circuit is illustrated by a motivation survey taken by General Mills on the well known TIDE laundry detergent trademark. The motivation survey, which was raised in the court below, conformed to the Ninth Circuit test and showed that 68% of those surveyed purchased TIDE detergent primarily because they liked the product and not primarily because they liked Procter & Gamble (the producer) products. Anti-Monopoly III, 684 F.2d at 1326. When this was pointed out to the court, the Ninth Circuit stated that in light of this survey "Procter & Gamble might have cause for alarm." Anti-Monopoly III, 684 F.2d at 1326. Under this judicial standard, virtually all trademark owners have "cause for alarm", at least in the Ninth Circuit.

Surely, the average consumer does not think that TIDE is the "common descriptive name" for all laundry detergents. Violence would obviously be done to the trademark system, not to mention the public interest, if everyone could now, because of the precedent established below, market a laundry detergent and call it TIDE.

B. The Decision Of The Ninth Circuit Conflicts With Decisions Of The Court Of Appeals For The Federal Circuit Both As To The Applicable Judicial Standard And With Regard To The MONOPOLY Trademark At Issue

1. There Is A Conflict Over The Applicable Rule of Law Between The Courts Of Appeal

It is generally recognized by the courts that most consumers do not know, and need not know, which manufacturer is the specific source of the

trademarked products purchased.^{5/} Consumers recognize that the trademarked product has a consistent level of quality and they expect that quality when they purchase the trademarked item. The ability to purchase trademarked products from a consistent, even if anonymous, source is a significant benefit to the public which flows from the trademark system.

The Court of Customs and Patent Appeals (CCPA), which was previously charged with reviewing decisions of the Trademark Office has consistently taken this position.^{6/} As the CCPA stated in

^{5/} Dan Robbins & Associates, Inc. v. Questor Corp., 599 F.2d 1009 (CCPA 1979) and the cases cited therein.

^{6/} See, e.g., In re D.C. Comics, supra, 215 USPQ 657; and E. I. Du Pont de Nemours & Co. v. Celanese Corp., 167 F.2d 484 (CCPA 1948).

Dan Robbins & Associates, Inc. v. Questor Corp., "(i)t is enough that purchasers can rely on a mark to distinguish products emanating from different sources and a mark need not identify a specific source."^{7/}

Motivation for purchasing a trademarked product, whether it is the product itself or the source of the product, does not and should not change a federally registered trademark into a generic term. As has been recently noted in In re D.C. Comics, the correct inquiry should be "whether the public no longer associates what was a trademark with that single source."^{8/} This issue should have been the focus of inquiry by the Ninth

^{7/} Dan Robbins, supra, 599 F.2d at 1014.

^{8/} In re D.C. Comics supra, 215 USPQ at 404.

Circuit. Since buyer motivation was the focus of inquiry instead of the public's association of a trademark with a source, a result was achieved which devastates the federal trademark registration system and which conflicts with the decisions of the CAFC.

Not only does the Monopoly III decision ignore the appropriate Lanham Act test (is the trademark the "common descriptive name" of the goods?), but it improperly focuses on the consumers primary motivation for buying. The Ninth Circuit placed paramount importance on whether consumers were motivated to buy out of an affection for a specific, named manufacturer. This flies in the face of the interpretation of the trademark law evolved by the CCPA; and now adopted by the CAFC.

2. There Is A Conflict Between
The Courts Of Appeal With
Regard To The MONOPOLY
Trademark

The motivation survey promulgated by the Ninth Circuit in determining genericness -- whether the purchaser professes to be primarily motivated by loyalty to a particular producer rather than by a desire for the product which the trademark identifies -- was used to invalidate the registration of the MONOPOLY mark. In direct contrast thereto, in 1981, the CCPA determined that the owner of the MONOPOLY mark "has built up enormous goodwill in the mark MONOPOLY, which has been used since 1935 for a board game and that MONOPOLY may properly be termed a 'famous' mark".^{9/}

^{9/} Tuxedo Monopoly, Inc. v. General Mills Fun Group, 209 USPQ 986, 988 (CCPA 1981).

The CCPA's recognition of the strength of the MONOPOLY mark is totally irreconcilable with the Ninth Circuit's apparent willingness to allow even board game manufacturers to use the mark MONOPOLY, on competing board games.

VI. CONCLUSION

The decision of the Ninth Circuit devastates the federal trademark system and will engender consumer confusion and, if it is not reversed, will sow chaos in the merchandising of trademarked products. Moreover, the Ninth Circuit's decision conflicts with decisions of the CCPA, as adopted by the CAFC, both as to the applicable judicial standard and with regard to the specific trademark at issue.

In view of the foregoing and for the protection not only of the purchasing public but also of trademark owners, the Bar Association of the District of Columbia and the District of Columbia Bar respectfully submit that the petition for a writ of certiorari to the Court of Appeals for the Ninth Circuit should be granted.

Respectfully submitted,

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No. 82-1075

IN THE
Supreme Court of the United States
OCTOBER TERM, 1982

**CPG PRODUCTS CORP. AND
GENERAL MILLS FUN GROUP, INC.,**

Petitioners,

v.

ANTI-MONOPOLY, INC.,

Respondent.

**MOTION FOR LEAVE TO FILE A BRIEF AMICUS
CURIAE AND BRIEF AMICUS CURIAE ON BEHALF
OF THE CHAMBER OF COMMERCE OF THE UNITED
STATES IN SUPPORT OF THE PETITION FOR A
WRIT OF CERTIORARI TO THE UNITED STATES
COURT OF APPEALS FOR THE NINTH CIRCUIT**

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IN THE
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v.

ANTI-MONOPOLY, INC.,

Respondent.

**MOTION OF THE CHAMBER OF COMMERCE
OF THE UNITED STATES FOR LEAVE
TO FILE A BRIEF AMICUS CURIAE**

Pursuant to Rule 36 of the Rules of this Court, The Chamber of Commerce of the United States ("Chamber") hereby moves for leave to file the attached brief amicus curiae in support of Petitioners.¹ In support of this motion the Chamber states:

1. The Chamber is the largest federation of business organizations in the United States. At present, the Chamber has in excess of 235,000 members, including over 231,000 corporations, partnerships, proprietorships and individuals, as well as 12,400 trade associations and 2,700 local and state chambers of commerce.

¹ Petitioners have consented to the filing of the Amicus Brief, but respondent has refused consent.

2. The Chamber regularly presents its members' views to the courts on issues of broad importance to its members, and often files briefs in support of petitions for writs of certiorari.

3. The Federal Trademark Statute, 15 U.S.C. §§ 1051-1127 (Lanham Act), is the statutory premise for most of the trademark decisions that affect trademarks used in commerce in the United States. Many of the Chamber's members have trademarks that have acquired substantial good will and which are vital, not only to the continued operation of their business, but also to operation of the free enterprise system in the United States.

4. Because the Lanham Act is so fundamental to the maintenance of trademarks in the American economic system, it is important that it be interpreted uniformly and in a manner that is not unreasonably destructive of the economic system which it cornerstones.

5. The decision of the Ninth Circuit Court of Appeals adopts a new and bewildering definition of when a trademark is lost and when a trademark registration under the Lanham Act must be cancelled. The Ninth Circuit decision goes well beyond the intent of Congress, when it passed the Lanham Act and the court's decision has widespread potential impact on the vitality of trademarks in the United States and the economic interests of the members of the Chamber. Because the Ninth Circuit decision represents an extreme case of "judicial legislation" the Chamber believes that review by this Court is critical.

For these reasons, the Chamber requests the permission of the Court to file the attached brief which sets forth more fully its views on the need for review of this case.

Respectfully submitted,

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**BRIEF AMICUS CURIAE OF THE CHAMBER OF
COMMERCE OF THE UNITED STATES IN SUPPORT
OF PETITION FOR A WRIT OF CERTIORARI TO THE
UNITED STATES COURT OF APPEALS FOR THE
NINTH CIRCUIT**

This brief is filed on behalf of the Chamber of Commerce of the United States ("Chamber") contingent upon the Court's granting the Motion for Leave to File a Brief Amicus Curiae to which this brief is attached.

STATEMENT OF INTEREST

The interest of the Chamber is set forth in its Motion for Leave to File a Brief Amicus Curiae. The Chamber respectfully refers the Court to the Motion.

STATEMENT OF THE CASE

This case concerns the fundamental definition of a trademark under the federal trademark statute and, the closely related question, as to whether a trademark registered and granted "incontestable" status under the federal statute, may be cancelled even though the statute says there is a "conclusive presumption" of its validity.

The Ninth Circuit had before it the famous game trademark—MONOPOLY. It ruled that the motivation of the game purchaser was the critical element in determining the primary significance of MONOPOLY. If a prospective purchaser bought the product primarily because he liked certain unique and desirable product features, the trademark affixed to the product was a generic term and the trademark was invalid. In contrast, if the purchaser was motivated to buy the product primarily because of the purchaser's loyalty to and recognition of the manufacturer of the product, then the trademark affixed to the product was valid. The Court of Appeals rejected the findings of fact on this issue by the District Court and, instead, found that the evidence proved that, although 32% of the purchasers surveyed chose the game because of personal knowledge of or loyalty to Parker Brothers, the majority would purchase the MONOPOLY game because they like the playing features of the game. From this definition and evidence the Court of Appeals went on to hold that MONOPOLY was a generic term in the public domain, and that its long standing "incontestable" registration under the federal trademark statute should be cancelled.

REASONS FOR GRANTING THE WEIT

The decision of the Court of Appeals in the **MONOPOLY** case has caused consternation among the owners of numerous well known trademarks used in commerce in the United States. The decision radically departs from all prior trademark law and announces a "CATCH 22" definition of trademark validity which flatly contradicts the reality of trademark use in the marketplace. If the purchasing public does not like the features of a particular product and does not consider the product unique to some degree, the product dies for lack of commercial success and the issue of the genericness of the trademark applied to it is moot. On the other hand, if the purchasing public perceives certain unique and desirable product features and the product becomes a success, then, under the Ninth Circuit definition, the trademark is endangered and any registration therefor should be cancelled if the product is purchased primarily because of these desirable features.

The test adopted by the Ninth Circuit is completely unrealistic and sounds the death knell for well known, valuable trademarks simply because a certain percentage of purchasers choose products based upon a preference for particular product features rather than recognition and loyalty to the manufacturer. The name of the manufacturer of many commercially successful products is not generally known to the public. In such cases the Ninth Circuit test virtually guarantees a finding of genericness. Indeed, the test adopted by the Ninth Circuit is so unrealistic, that there is literally no trademark which has achieved any degree of commercial success that could not be threatened by this "either/or" test of loyalty. For the price of a simple survey, virtually any defendant in a trademark infringement action can threaten the validity of any trademark, regardless of how long it has been used, regardless of

how much has been invested, and regardless of what steps the trademark owner has taken to ensure its continued vitality by registration under the federal trademark statute. Trademark piracy is thus encouraged and public injury is threatened by such a substantial undermining of the United States trademark system.

The Ninth Circuit's decision also judicially nullifies one of the most important revisions in United States Trademark Law, codified in the Lanham Act of 1946. The congressional hearings which preceded the passage of the Lanham Act clearly indicate that Congress intended to impose a statute of limitations on those seeking to invalidate registered trademarks. In furtherance of that intent, the Lanham Act, as enacted, provides that a mark registered for a period of years, supported by appropriate affidavits of use, may become "incontestable" and thereafter its continued validity and registrability would be "conclusively presumed," under the statute. Although the incontestable status of the MONOPOLY trademark was argued and briefed before the Ninth Circuit, the Court did not deal with the issue of this conclusive presumption of the validity of the MONOPOLY trademark. By so ignoring the clear intent of Congress, the Ninth Circuit "legislated" the incontestability provision of the Lanham Act out of existence.

ARGUMENT

I. THE COURT OF APPEALS DECISION REQUIRING THE PROSPECTIVE PURCHASER TO CHOOSE EITHER LOYALTY TO PRODUCT FEATURES VERSUS LOYALTY TO THE MANUFACTURER OF THE PRODUCT IS A COMMERCIALY UNREALISTIC LEGAL STANDARD AND IS CONTRARY TO ESTABLISHED TRADEMARK LAW

Traditionally, trademarks have been recognized as identifiers of the origin or source of particular goods or services, a function which has its origins in the uses to which marks were put in the middle ages.¹ However, the courts have long recognized the commercial reality that a trademark also serves more than one function in the marketplace. In today's modern economy, however, trademarks clearly also serve as indicators of a certain degree of uniformity or quality in the products to which they are attached.² This dual function, indicating the manufacturer as well as the nature or quality of the goods, has been repeatedly recognized and sanctioned by the courts. In fact, Mr. Justice Holmes emphasized the quality function over the source function in recognizing that the popular trademark, COCA-COLA, "probably means to most persons the plaintiff's *product* (since) *the product is more emphasized than the producer.*" *Coca-Cola v. Koke Co.*, 254 U.S. 143, 146 (1920).

Over a period of many years, this Court has repeatedly recognized the propriety of the dual function of trademarks. A trademark has been defined by this Court to be "both a sign of the quality of the article and an assurance to the

¹ See, F. I. Schechter, *The Historical Foundations of the Law Relating to Trademarks* (1925), G. Ruston, *On The Origin Of Trademarks*, 45 TMR 727 (1955).

² *F. I. Schechter, The Rational Basis of Trademark Protection* 40 Harv. L. Rev. 813, 818 (1927), E. W. Hanak III, *The Quality Assurance Function of Trademarks*, 65 TMR 318, 319 (1975).

public that it is the genuine product of his manufacture." *Manhattan Medicine Co. v. Wood*, 108 U.S. 218, 222 (1882). Indication of source has been declared to be "the primary and proper function of a trademark," *Hanover Star Milling Co. v. Metcalf*, 240 U.S. 403, 412 (1915), but this Court has also expressly recognized that a trademark "generally speaking . . . [is] applicable to the vendible commodity to which it is affixed . . ." *American Steel Foundries v. Robertson*, 269 U.S. 372, 380 (1925). A trademark, then, indicates both "a commodity's origin and the quality of the commodity . . ." *Old Dearborn Distributing Company v. Seagram Distillers Corp.*, 299 U.S. 183, 194 (1936).

The Ninth Circuit Court of Appeals itself has recognized that "the historical conception of a trademark as a strict emblem of source of the product to which it attaches has largely been abandoned. The burgeoning business of franchising has made trademark licensing a widespread commercial practice and has resulted in the development of a new rationale for trademarks as representations of product quality." *Siegel v. Chicken Delight, Inc.*, 448 F.2d 43, 48 (9th Cir. 1971); *cert. denied*, 405 U.S. 955 (1972). The current Ninth Circuit's emphasis on the source indication function is therefore contrary to its own earlier recognition of economic reality. In actuality, when consumers buy a trademarked product, they rarely know or care what company makes the product.³

The Ninth Circuit was manifestly not required by prior trademark law nor was it required by the realities of the commercial world to craft a new trademark standard. The artificiality of the approach taken by the Ninth Circuit is best illustrated by reviewing the survey evidence on which it relied to set aside the district court's findings of fact.

³ 1 McCarthy, *Trademarks And Unfair Competition*, § 3:4 at 94 (1973); 3 Callman, *The Law of Unfair Competition, Trademarks And Monopolies*, § 82.2(a) (3d Ed. 1969).

The evidence was in the form of a "motivational" survey conducted among randomly selected interviewees by telephone. First, the interviewees were "screened" to see if they had the proper qualifications for proceeding further with the interrogation. The screening was accomplished by asking the respondent if he was familiar with the MONOPOLY game. If he answered affirmatively, a second question was posed as to whether he had purchased the MONOPOLY game within the past couple of years or whether he intended to purchase it in the near future. A second screening then took place and only respondents who indicated they had recently purchased the MONOPOLY game or intended to purchase it in the near future were questioned further. The survey group was thus narrowed to only people who knew the game and who had purchased it or were thinking of purchasing it in the near future because they liked its features. The respondents were then given a choice of two statements and were asked to *choose between them*. The first statement was "I want a MONOPOLY game primarily because I am interested in playing MONOPOLY, I don't much care who makes it." The second and alternate choice was the following statement: "I would buy Parker Brothers MONOPOLY game primarily because I like Parker Brothers products."

Sixty-five percent chose the first statement in which they indicated they would buy the game because of its desirable playing features. Surprisingly, in view of the "Alice in Wonderland" nature of the second question, 32% said they would buy the MONOPOLY game primarily because "I like Parker Brothers products."

At no point in this highly structured survey, was any respondent given the choice of saying that he would buy the MONOPOLY game both because he liked the way it played and also because he had confidence in its source, Parker Brothers.

Clearly, the survey was structured to fly in the face of reality. It defies reason to suggest that people buy products just to be nice to the manufacturer. The reality of the market is that products are purchased because of their desirable features. The consumer is also concerned that those desirable features would be present in future purchases and he looks for the same trademark identifier to ensure such product quality continuity. Trademarks do serve a dual function, both to identify desirable features and to insure their continuity from a reliable even though it may be an anonymous source. The decision of the Ninth Circuit erroneously ignores this reality and fails to apply the prior trademark decisions by this Court and by the Ninth Circuit.

II. THE COURT OF APPEALS DECISION CANCEL- LING THE MONOPOLY TRADEMARK REGISTRA- TION DESPITE ITS "INCONTESTABLE" STATUS IS CONTRARY TO THE FEDERAL TRADEMARK STATUTE

The current federal trademark statute, the Lanham Act of 1946, 15 U.S.C. §§ 1051-1127, was passed after extensive debate to replace the statute initially enacted in 1881 (21 Stat. 502) and amended in 1905, 1906 and 1920. The question decided by the Court of Appeals in this case—i.e., under what circumstances the owner of a registered trademark should lose his rights on the ground that the mark has become generic—was extensively debated before Congress,⁴ and language was carefully selected to provide a

⁴ The numerous reported hearings were intended for utilization by courts in interpreting the statute.

Representative Lanham. . . . "A court, in passing on a law of this character, looks, does it not, to the hearings of the House and the Senate for the expression of intent. And they would find that expression both in the House hearings and in the Senate hearings, with reference to a *generic term*." *Hearings on S.895*, 77th Cong., 2d Sess., p. 39 (1942). (Emphasis added)

statute of limitations on the time period within which a registration might be cancelled.

The Lanham Act provides that a certificate of registration "shall be prima facie evidence of the validity of the registration, registrant's ownership of the mark, and of registrant's exclusive right to use the mark in commerce . . ." 15 U.S.C. §§ 1957(b), 1115(a). The Act further provides that after five years of continuous use and registration, a mark may be granted incontestable status so long as the mark is not the "common descriptive name of any article or substance." 15 U.S.C. § 1065.

The trademark MONOPOLY was federally registered on July 30, 1935 and September 15, 1936 and was republished under the Lanham Act. The requirements of the incontestability section of the statute were subsequently complied with and the appropriate affidavit was filed. The Ninth Circuit did not decide whether MONOPOLY became "generic" before or after incontestable status was granted under the Act by acceptance by the Patent and Trademark Office of the appropriate affidavit.⁵ Indeed, the court did not even address the issue of whether the mark MONOPOLY still functioned as a trademark at that point in time. It clearly could not have done so, since the question of trademark significance was gathered during the pendency of the case—nearly 30 years after the filing and acceptance of the incontestability affidavit. In any event, however, the court was confronted with statutorily created presumptions of validity.

⁵ The court seems to have read the incontestability section as being inapplicable if at any time the mark becomes the 'common descriptive name' of the registered article. However, Section 15 provides that "no incontestable right shall be *acquired* in a mark which is the common descriptive name" of a product. Thus, the language suggests that the "common descriptive name" test for purposes of incontestable rights should be applied at the time of filing of the affidavit.

Representative Fritz G. Lanham, the statute's namesake and chief sponsor, characterized the incontestability section as "the establishment of a statute of limitations just as we have with reference to land and recorded deeds and things of that kind." *Hearings on S.895*, 77th Cong., 2d Sess., p. 15 (1942). If the trademark registration for MONOPOLY was incontestable, then the certificate of registration was *conclusive* evidence of the registrant's exclusive right to use the registered mark, except when one of the seven defenses or defects enumerated at 15 U.S.C. § 1115b is established.

If the trademark MONOPOLY was incontestable, the only statutory defense or defect⁶ which is arguably relevant to the facts of this case is § 1115b(2): "That the mark has been abandoned by the registrant." Abandonment is defined as: "when any course of conduct of the registrant, including acts of omission as well as commission, causes the mark to lose its significance as an indication of origin," 15 U.S.C. § 1127.

Although the term "generic" does not appear in the Act,⁷ the language ultimately adopted was carefully chosen to provide for such a contingency. Robert W. Byerly, who

⁶ The statutory defenses to incontestability are "presumably . . . all the defenses a man would have," *Hearings on S.895*, 77th Cong., 2d Sess., p. 49 (1942) and were believed sufficient to "provide adequate protection to the public and adequate protection of the goodwill and of the business of one who has built up property in and around his trademark." *Hearings on H.R. 82*, 78th Cong., 2d Sess., p. 112 (1944).

⁷ Amendments which would have inserted it were, however, proposed during the Congressional hearings. See, e.g. *Hearings on S.895*, 77th Cong., 2d Sess., p. 43 (1942); *Hearings on H.R. 82*, 78th Cong., 2d Sess., p. 103 (1944).

described himself as the "father" of the incontestability section,⁸ testified before Congressional hearings prior to passage of the 1946 Act as follows:

We certainly do not want to put anything in this bill, or at least, I should think we do not, which would destroy a man's trademark rights simply because he has conducted a successful business under that trademark and it has become well known.

If you read the decisions carefully, you will see that the courts at times have pointed out that generic meaning, where it has become merely a secondary meaning, has no effect on the trademarks.

* * *

(T)he decisions are not as uniform as one would wish . . . and *we felt that putting in the language defining abandonment was rather a definite way of dealing with it.*

* * *

I think you will find in almost all those cases that [there] has been either a deliberate intention, or rather extreme negligence on the part of the owner, which has allowed that what ought to be merely secondary significance of his trademark to creep in and be the primary significance. . . .

If he has been careless enough, or has deliberately done that, his mark is gone.

Under those circumstances, . . . the compromise language [of the Act] is quite sufficient to take care of the situation. [Hearings on H.R. 82, 78th Cong., 1st Sess., pp. 27-29 (1943)] (Emphasis added)

One year earlier, these same sentiments had been emphasized before Congress by the then-chairman of the Trademark Committee of the American Bar Association's

⁸ *Hearings on H.R. 82, 78th Cong., 1st Sess., p. 26 (1943).*

Section of Patents, Trademark and Copyright. Making no distinction as to marks which are incontestable and those that are not, Mr. W. H. Martin explained to Congress that "whether or not . . . a mark becomes generic . . . depends wholly upon what the trade-mark owner himself has done or failed to do." *Hearings on S.895*, 77th Cong., 2d Sess., p. 45 (1942).

It is thus clear that Congress intended that registered trademarks, whether they have been granted incontestable status or not, should not be invalidated based merely upon perceptions of members of the consuming public. Such trademarks must only be invalidated if the trademark owner himself has abandoned the mark by somehow causing it to lose its trademark significance. The Ninth Circuit did not make such an express finding of abandonment. On the contrary, the court made specific reference to the District Court's finding of fact that Parker Brothers had diligently and consistently promoted and policed the MONOPOLY mark.

Even if the Ninth Circuit had found that incontestable status had been improperly granted or that the defense of abandonment had been proven, the certificate of registration for the trademark MONOPOLY still served as prima facie evidence of the mark's validity. As to the evidentiary weight to be accorded registrations, Mr. Lanham took special pains to clarify the Congressional intent behind the establishment of incontestability:

Mr. LANHAM. Mr. Speaker, the legislative history of this act is long and extensive. Many hearings have been held over a period of almost eight years. Those hearings may, and probably will, be referred to by the courts in construing and interpreting the provisions of the act. However, there is one provision in the act which

has no recorded legislative history, and in order that the purpose and intent of the House may be made perfectly clear, I wish this statement to appear in the Record as an explanation of our intent and as a part of the legislative history of the act.

* * *

The prior statutes enacted by Congress on this subject provide that the certificates of registration shall be prima facie evidence of ownership and the right to use the mark. H. R. 1654 changes this rule and provides that "the right of the registrant to use such registered mark in commerce for the goods or services on or in connection with which such registered mark has been in continuous use for five consecutive years subsequent to the date of such registration and is still in use in commerce shall be incontestable" if the conditions of Section 15 of the Act are met. Section 33(a) of this act reenacts the prima facie evidence rule which is applicable from and after the date of registration of a mark under the act of March 3, 1981, the act of February 20, 1905, and under this bill. Section 33(b) provides that where the registered mark has become incontestable under Section 15, the certificate of registration shall be conclusive evidence of the registrant's "exclusive right to use the registered mark in commerce on or in connection with the goods or services specified in the certificate."

However, Section 33(b) contains seven exceptions to the rule that the certificate of registration shall be conclusive evidence of the rights of the registrant even where the provisions of Section 15 have been met.

* * *

It is clear from the language of the act and from the Congressional history of the act as it is found in the hearings and reports that the seven "defenses or defects" listed under paragraph (b) of Section 33 are intended to relate to and to affect the weight of the

evidence to be given to the certificate of registration where the owner claims the benefit of the incontestable rule and where the opposite party can, by the weight of the evidence, establish any one of the things listed in the seven subparagraphs in paragraph (b) . . . Under these circumstances, his certificate of registration is only prima facie evidence of his right and he must be prepared to carry the additional burden of proof as is necessary under the laws and statutes as they existed prior to the passage of this act. One of the valuable new rights created by the act is the incontestable right after five years' use of the mark and the corollary thereto that the certificate of registration is conclusive evidence of ownership and the right to the exclusive use of the mark.

. . .

This is the intent and effect and the only intent and effect of the seven subparagraphs of paragraph (b) of Section 33.

92 Cong. Rec. 7524, 79th Cong., 2d Sess., June 25, 1946.

From the foregoing, it is clear that the Ninth Circuit had before it a presumptively or even conclusively valid trademark. Despite this statutory validation and without proof of abandonment, the Ninth Circuit held that the trademark MONOPOLY was generic and therefore invalid. This decision conflicts with the policies which Congress sought to implement through careful selection of the language contained in the federal statute.

CONCLUSION

For the foregoing reasons, the Chamber respectfully urges this Court to grant the Petition for Certiorari.

Respectfully submitted,

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No. 82-1075

IN THE

Supreme Court of the United States

OCTOBER TERM, 1982

CPG PRODUCTS CORP. and GENERAL MILLS
FUN GROUP, INC.

Petitioners,

v.

ANTI-MONOPOLY, INC.,

Respondent.

ON PETITION FOR A WRIT OF CERTIORARI
TO THE COURT OF APPEALS FOR THE NINTH CIRCUIT

**MOTION FOR LEAVE TO FILE BRIEF *AMICUS CURIAE*
AND
BRIEF FOR THE COMMITTEE ON TRADEMARKS
AND UNFAIR COMPETITION OF THE
ASSOCIATION OF THE BAR OF THE CITY OF NEW YORK,
*AMICUS CURIAE***

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No. 82-1075

IN THE

SUPREME COURT OF THE UNITED STATES

OCTOBER TERM, 1982

CPG PRODUCTS CORP. and GENERAL MILLS FUN
GROUP, INC.,

Petitioners,

v.

ANTI-MONOPOLY, INC.,

Respondent.

MOTION OF THE COMMITTEE ON TRADEMARKS AND
UNFAIR COMPETITION OF THE ASSOCIATION OF
THE BAR OF THE CITY OF NEW YORK FOR LEAVE
TO FILE A BRIEF AMICUS CURIAE

The Committee on Trademarks and Un-
fair Competition of the Association of
the Bar of the City of New York respect-
fully moves pursuant to Rule 36 of this
Court for leave to file a brief amicus
curiae in support of the petition for a
writ of certiorari to the Ninth Circuit.
Petitioners' consent to the filing of
this brief is on file with the Clerk of

this Court. Respondent has denied the requested consent.

The Committee on Trademarks and Unfair Competition of the Association of the Bar of the City of New York (the "Committee") monitors and reports on developments in the law of trademarks and unfair competition. The Committee endeavors to educate Association members and to contribute to these developments. While, in their individual practices, Committee members represent clients with specific economic interests and must advocate positions supporting these interests, sitting as a Committee the members attempt to analyze issues of trademark and unfair competition law objectively, in order to reach conclusions which fairly balance and promote the interests both of trademark proprietors and of consumers. Thus, while Petitioners will necessarily con-

centrate on the peculiar facts and merits of this case, the Committee at this time takes no position with respect to the ultimate outcome of this controversy, and instead analyzes the more far-reaching consequences of the decision for which review is sought.

This cases poses the question: How does a court determine whether a term which has served to identify a product's source has now come to signify to a majority of the public only a product? The case therefore poses a question of first impression for this Court.¹ This

¹ This Court's decision in Kellogg Co. v. National Biscuit Co., 305 U.S. 111 (1938) involved a term which this Court ruled was generic ab initio. In the present case, the district court found, and the Ninth Circuit agreed, that the term at issue did originally function as a trademark, Anti-Monopoly v. General Mills Fun Group, 515 F. Supp. 448, 451-52 (N.D. Cal. 1981); Anti-Monopoly, Inc. v. General Mills Fun Group, Inc., 684 F.2d 1316, 1321 (9th Cir. 1982).

question is of tremendous concern to trademark proprietors and consumers generally, for once a court determines that a trademark has ceased to indicate source and has therefore become a generic or common descriptive name for a product, the trademark proprietor may no longer assert exclusive rights in the term, and the consuming public may no longer rely on that term as a guarantee that the product bearing that term derives from only one source. If a court's analysis in making this determination is incorrect or misconceived, then, consumers who believe that the term at issue does in fact signify a single source of origin, and therefore serves to symbolize a certain quality and consistency, will be misled when other producers are permitted to appropriate the term. Similarly, the proprietor of a term which has improperly

been ruled generic will lose the substantial goodwill built up in that term.

The Committee believes the decision of the Court of Appeals for the Ninth Circuit, holding MONOPOLY generic, derives from a gross misconception of trademark law and policy, and advances a rationale and standard which threaten wholesale invalidation of existing trademarks. The manner in which the Ninth Circuit disposed of the issue of genericness undermines well-established trademark principles, and contravenes the public interest in protection of recognized symbols of business goodwill. The Committee believes that its brief will assist the Court by setting in a broader context the problems Petitioners present.

The Committee therefore respectfully requests that this motion be granted.

Dated: New York, New York
January 10, 1983

Respectfully submitted,

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No. 82-1075

IN THE

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CPG PRODUCTS CORP. and GENERAL MILLS FUN
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v.

ANTI-MONOPOLY, INC.,

Respondent.

BRIEF FOR THE COMMITTEE ON TRADEMARKS
AND UNFAIR COMPETITION OF THE
ASSOCIATION OF THE BAR OF THE CITY OF
NEW YORK, AMICUS CURIAE, IN SUPPORT
OF THE PETITION FOR A WRIT OF
CERTIORARI TO THE COURT OF APPEALS
FOR THE NINTH CIRCUIT

This brief is submitted on behalf of
the Committee on Trademarks and Unfair
Competition of the Association of the
Bar of the City of New York, as amicus
curiae, together with a Motion For
Leave to File a Brief Amicus Curiae,
consent to the filing of such a brief

having been denied by Respondent.

INTEREST OF THE AMICUS CURIAE

The Committee on Trademarks and Unfair Competition of the Association of the Bar of the City of New York (the "Committee") has set forth its interest in the accompanying Motion for Leave to File a Brief Amicus Curiae. For the reasons set forth in that Motion, the Committee believes that this case presents questions of extraordinary importance to the appropriate interpretation and application of trademark law, and accordingly urges the Court to grant the Petition for Certiorari.

STATEMENT

Protection of trademark rights promotes two important interests. Because a trademark identifies and distinguishes the goods of one producer,¹ it

¹ See 15 U.S.C. §1127 (defining "trademark"). See generally 1 T. McCarthy TRADEMARKS AND UNFAIR COMPETITION, § 3:2 (1973).

symbolizes a producer's trade identity and secures its good will. The trademark also assures the purchasing public that it is in fact acquiring the goods it believes to emanate from a single source which has come to be identified by the mark. Protection of trademark rights thus protects the public from confusion created by those who would appropriate the recognized symbol of another's good will. The public need not know the name of the producer or manufacturer behind the trademark, so long as it believes that the goods emanate from a single, if anonymous, source.²

. A term which commonly identifies the nature or class of the goods, but which fails to inform the public that the goods emanate from a single source is

² See generally McCarthy, supra, § 3:3 (B).

not a trademark. Rather, the term is a "common descriptive name", or "generic".³ For example, "car" is a generic term. It is the term commonly used to identify a class of goods, and neither distinguishes among the class, nor identifies a source for the goods. A term which denotes to the public both goods and source, however, is not generic. For example, the term ROLLS ROYCE evokes not merely a car, but a car of particular appearance, quality and prestige, which the public associates uniquely with one producer.⁴ Nonetheless, ROLLS ROYCE

³ 15 U.S.C. § 1065(4) provides that registration of a mark may be cancelled if the mark is the "common descriptive name of an article or substance". Courts have used the rubric "generic" synonymously with "common descriptive name". See, e.g., Anti-Monopoly, Inc. v. General Mills Fun Group, 611 F.2d 296, 301 (9th Cir. 1979) (Anti-Monopoly II); Abercrombie & Fitch Co. v. Hunting World, Inc., 537 F.2d 4, 9 (2d Cir. 1976).

⁴ See, e.g., Rolls Royce, Inc. v. Custom Cloud, Inc., 190 U.S.P.Q. 80 (S.D.N.Y. 1976).

remains the trademark, and "car" remains the generic term. For a term to be generic, the public must primarily perceive it as an identification of the class or nature of the goods, rather than as an identification of the goods' source.⁵

The same principle applies when only one producer is the source of goods which are determined to comprise a

⁵ See, e.g., Kellogg Co. v. National Biscuit Co., 305 U.S. 111, 118 (1938). See also Council of Better Business Bureaus v. Better Business Bureau of So. Fla., 200 U.S.P.Q. 282, 290-91 (S.D.Fla. 1978) (service mark) ("The mere fact that the Mark may have some significance to the public as indicating the nature of the goods or services is not fatal to its existence as a valid mark. . . . The public's ability to associate the services offered by a Better Business Bureau with its name, is recognition of the strong secondary meaning which has attached to the Better Business Bureau Name and Mark, not proof that the mark is generic.")

unique class. For example, only one company produces a supersonic jet transport designed for commercial passengers. Nonetheless, while that company's trademark, CONCORDE, certainly evokes an image of the airplane, it also denotes the producer, and therefore is a legitimate trademark. By contrast, the term "commercial passenger supersonic jet transport" is simply the name of a kind of airplane, it does not prompt any source-identification, and therefore is the generic name of the article. Thus, whether the class of goods derives from only one, or from many sources, the question remains the same: Is the "major significance" to the public of the term at issue as a trademark, or merely as the generic name of the goods?⁶ Majority understanding of the

⁶ King-Seeley Thermos Co. v. Aladdin Indus., Inc., 321 F.2d 577, 579 (2d Cir. 1963).

nature of the term determines its major significance.⁷

SUMMARY OF ARGUMENT

The Ninth Circuit's opinions rest upon egregiously erroneous interpretations of trademark law. First, in determining the relevant class of goods to which the game bearing the MONOPOLY mark belongs, the court improperly denominated the game a class unto itself. Second, the court incorrectly held public motivation for purchasing a product the guiding standard for assessing trademark validity.

The Committee believes the Ninth Circuit's decision, if allowed to stand, would result in invalidation of virtually all trademarks, for virtually all products, whether "unique" or in

⁷ See generally McCarthy, supra, § 12:2(C).

competition with similar goods. The test of trademark validity is not, as the Ninth Circuit maintains: Do consumers buy a product primarily because they know and like its producer?

Rather, the prevailing test is: "What do buyers understand by the word for whose use the parties are contending?"

Bayer Drug Co., Inc. v. United Drug Co., 272 F. 505, 509 (S.D.N.Y. 1921)

(L. Hand, J.).⁸ Under the Ninth Cir-

⁸ Accord, Surgicenters of America, Inc. v. Medical Dental Surgeries Co., 601 F.2d 1011, 1016 (9th Cir. 1979) ("in making the sometimes elusive determination of genericness courts have consistently followed the test stated by Judge Learned Hand in Bayer Drug Co., Inc. v. United Drug Co...."). See also Dictaphone Corp. v. Dictamatic Corp., 199 U.S.P.Q. 437 (D. Ore. 1978) (colloquial misuse by the public of a trademark as shorthand for a product category does not mean that the trademark has become generic; the test is whether, despite this misuse, the public still understands the mark to refer to a single source, rather than to a class of goods deriving from any number of sources); E.I. DuPont de Nemours v. Yoshida Int'l. Inc., 393 F. Supp. 502 (E.D.N.Y. 1975) (same).

cuit's anomalous approach, no amount of public recognition that the term symbolizes a single source (and therefore is a trademark) will suffice if the public does not also manifest tender sentiments toward that single source. The Ninth Circuit's unwarranted interpolation would doom legitimate trademarks, and thus would foster consumer confusion by permitting widespread appropriation of terms which the public in fact perceives as unique to particular producers.

ARGUMENT

THE NINTH CIRCUIT'S OPINIONS MIS-
CONCEIVE THE GENERICNESS DOCTRINE
AND PROMULGATE A STANDARD WHICH
WOULD CANCEL MOST RECOGNIZED TRADE
MARKS

- A. The Ninth Circuit's Relegation
of a Distinctive Game to a Discrete

Class Jeopardizes the Trademark of
Virtually Any Product Whose
Appearance, Performance, or
Characteristics Are in Any Way
Distinctive

The district court rejected Anti-Monopoly's genericness claim on the ground that MONOPOLY was not generic for, or synonymous with, the class of board games involving real estate trading. Anti-Monopoly v. General Mills Fun Group, 195 U.S.P.Q. 634, 638 (N.D. Cal. 1977) (Anti-Monopoly I). The Ninth Circuit determined that the MONOPOLY game, due to its special qualities, was a "unique game", and constituted its own "product category". Anti-Monopoly II, 611 F.2d 296, 305 (9th Cir. 1979).⁹

⁹ The Ninth Circuit also denominated a "product category" or class of goods a "genus"; and one producer's, essentially fungible, version of the product, a "species". Thus, under this terminology, a term identifying a

The Committee urges that this classification was fundamentally misconceived. As Judge Nies of the United States Court of Customs and Patent Appeals (now the Court of Appeals for the Federal Circuit) recently stated:

No principle of trademark law requires the imposition of penalties for originality, creativeness, attractiveness, or uniqueness of one's product or requires a holding that the name arbitrarily selected to identify the product . . . cannot also function as an identification of source. . . . The application of the truism [that a trademark functions to indicate the source of the goods, not the goods themselves]

[FOOTNOTE 9 CONTINUED FROM LAST PAGE]

"genus" is generic, while a term identifying a "species" may be a trademark. Amicus believes the attempt to impose a Linnean classification system onto trademark analysis is more confusing than illuminating. Application of these biological rubrics does not advance analysis; rather, it tends to afford an awkward and misleading restatement of the problem of determining whether the term at issue identifies a class of goods which may originate with any number of sources, or whether the term identifies the goods of a single source.

depends upon how the public perceives and uses the asserted mark, as well as upon accepted business practices. It becomes sophistry if the generic nature of a word or name depends upon how broadly or narrowly . . . a court defines a "kind" o[r] "class" of goods.

In re D.C. Comics, Inc., 215 U.S.P.Q. 394, 403-04 (CCPA 1982) (Nies, J., concurring).¹⁰

The MONOPOLY game may be the only real estate trading board game to be played a particular way, or to have a

¹⁰ In D.C. Comics, the court rejected the Trademark Trial and Appeal Board's view that drawings of Superman, Batman, and Joker could not be registered as trademarks for Superman, Batman, and Joker dolls because the drawings were descriptive of the products. Like Judge Nies, the majority found no merit in the Board's attempt to subdivide Superman, Batman and Joker into their own classes. "[A]ppellant cannot be considered to have created a new product category, the rubric of which (for example, 'Superman dolls') should remain available for all to employ in commerce, simply by having originated and promoted certain unique characters and products related to them." 215 U.S.P.Q. at 397.

particular appearance, but it is no more a class unto itself than is any product whose attributes distinguish it in some way from similar products. For example, only ROLLS ROYCE cars combine certain design and engineering features, but a ROLLS ROYCE is still a car. Under the Ninth Circuit's "sophistic" approach, however, ROLLS ROYCE, or any other trademark of a distinctive product, would be treated as the name of a separate product category, and hence would incur a substantial risk of being held a "common descriptive name".

B. The Ninth Circuit's "Motivation" Test Does Not Reveal Trademark Significance, and Would Invalidate Most Trademarks

After confining the MONOPOLY game to its own class, the Ninth Circuit remanded to the district court to determine whether the primary significance of the term to the public was as an indication

of source, or merely as an identification of a unique game. The district court reviewed a survey produced by Anti-Monopoly which identified MONOPOLY as a Parker Brothers game, and then inquired whether the interviewees would purchase MONOPOLY "primarily because I like Parker Brothers' products" or "primarily because I am interested in playing 'Monopoly'. I don't much care who makes it." See Anti-Monopoly III, 515 F.Supp. 448, 453 n.5 (N.D. Cal. 1981). According to the survey, only one-third of the public would purchase the MONOPOLY game because it entertained warm feelings toward Parker Brothers. The district court rejected this survey: "[M]ost consumers, indeed an overwhelming proportion thereof, purchase any given product not out of good will or affection for the producer, but because they want or favor the product. . . . Moreover,

the 'primary significance' of a trademark corresponds more to the recognition of a mark as the brand name of a particular producer than it does to the reason for purchasing." Id. at 454.

Stating that "[t]he dispositive issue hence is not why consumers buy MONOPOLY sets, but rather, what is their understanding of the name MONOPOLY", id. (emphasis in original), the district court credited a survey which explained the difference between a "common name" and a "brand name", and then asked interviewees to indicate which of a list of names were common names and which were brand names. 63% identified MONOPOLY as a brand name. Moreover, 55% correctly identified Parker Brothers as the producer. Based on this evidence, the court concluded that consumers were aware that MONOPOLY denotes source, and further, that this awareness extended to

the actual identity of the source. Thus, the court held, the name MONOPOLY in the public eye means more than a popular game; it means a game by a particular and known producer, and therefore the term enjoys primary trademark significance. Id.

The Ninth Circuit rejected the district court's treatment of the survey evidence. The court observed that the "brand name" survey defined a brand name as the name of a product made by one company. MONOPOLY, the court stated, is made by only one company, and therefore by definition would have to be a brand name. Thus, the Ninth Circuit held, this survey could not reveal trademark significance. Anti-Monopoly IV, 684 F.2d 1316, 1323 (9th Cir. 1982). Instead, the Ninth Circuit embraced the motivation survey. The court believed that this sur-

vey separation of "product related" reasons for a purchase from "source related" reasons gauged the significance the consumer attached to the term's source-denoting characteristics. Id. at 1325-26.

The Committee urges that consumer motivation has nothing to do with trademark significance. A term is a trademark if the public perceives it as a symbol that the goods come from a single source.¹¹ The public need not care who the single source is.¹² It suffices that the public believe there to be a single source. Were motivation the proper test, most trademarks would be in jeopardy. For example, if a majority of consumers buy a particular brand name detergent because they believe it cleans clothes

¹¹ See generally cases cited supra note 8; McCarthy, supra §3:3(B).

¹² See generally McCarthy, supra, §3:3(B).

better, this would be a "product related" reason for the purchase. Under the Ninth Circuit's analysis, the brand name would be held a generic term for "superior detergent".

Indeed, following its faulty logic, the Ninth Circuit observed that the failure of TIDE [whose 89% score on the "brand name" test makes it one of the most popularly recognized trademarks, see Appellees' opening br. in Anti-Monopoly IV, at 15] to score over 13% on the motivation test suggested that "Procter and Gamble might have cause for alarm". Anti-Monopoly IV, 684 F.2d at 1326. Since 60% of the surveyed public stated it would buy TIDE because it does a good job, and 68% stated it would buy TIDE primarily because it likes the detergent, the court stated, "We suspect these results tend to show that the general public regards 'Tide'

as the name of a particular detergent, having particular qualities, rather than as one producer's brand name for the same detergent which is available from a variety of sources." Id.

According to the Ninth Circuit, it appears: (1) TIDE, as a good quality detergent, is, like MONOPOLY, in a product category of its own; (2) the public's selection of "product related" reasons for buying TIDE (it does a good job) means that the name TIDE is generic.

The Committee agrees with the Ninth Circuit to this extent: application of the motivation test would give Procter & Gamble -- or any other trademark proprietor -- cause for alarm. The Committee observes, however, that the court's acknowledgement of the test's inexorable logic should have led to a realization that a test likely

to invalidate virtually any trademark (including the strongest) to which it is applied cannot be a legitimate gauge of trademark validity.

The Ninth Circuit's attempt to separate "product related" from "source related" reasons for a purchase ignores, or rather, severs, the essential link the consumer makes between the "product related" qualities he seeks, and a single source. As Justice Frankfurter stated:

The protection of trade-marks is the law's recognition of the psychological function of symbols. If it is true that we live by symbols, it is no less true that we purchase goods by them. A trade-mark is a merchandising short-cut which induces a purchaser to select what he wants, or what he has been led to believe he wants. The owner of a mark exploits this human propensity by making every effort to impregnate the atmosphere of the market with the drawing power of a congenial symbol. Whatever the means employed, the aim is the same -- to convey through the mark, in the minds of potential customers, the desirability of the commodity upon which it

appears.

Mishawaka Rubber & Woolen Mfg. Co. v. S.S. Kresge Co., 316 U.S. 203, 205 (1942). Under the Ninth Circuit's approach, however, the ability of a trademark to alert and draw the consumer to desirable "product related" qualities is fatal unless the mark also, and primarily, inspires affection for the source behind the product.

Often, however, the public does not even know the name of the source behind the product. For example, X Company may be the producer of Y Brand detergent, but the public may simply identify the source of Y Brand detergent as the "single anonymous source", "the people who make Y". Under the well-established "single anonymous source" rule, so long as the public believes the term claimed as a trademark to refer exclusively to a single source, "the

'source' identified by a trademark need not be known by name to the buyer. It may be anonymous in the sense that the buyer does not know, or care about, the name of the corporation that made the product, or the name of the corporation which distributes it."¹³ Under the Ninth Circuit's approach, however, the public's ignorance of the actual manufacturer, or its parent company, would doom a trademark: a public which does not know who the producer is can hardly be expected to buy the product because of the identity of the producer.

Judge Nies has aptly branded the motivation test "an esoteric and extraneous inquiry". Moreover,

[O]nce it is understood that a trademark is functioning to indicate "source" when it

¹³ McCarthy, supra §3:3(b) at 92. See also decisions cited at id. nn. 17, 18.

identifies goods of a particular source, the truism [that a trademark indicates the source of the goods, not merely the goods themselves] then reflects the above-stated objectives of trademark law [to protect business identity and guard against consumer confusion] and the way trademarks actually function in the marketplace. The reason the public is motivated to buy the product, whether because of quality, particular features, source, pleasing design, association with other goods, price, durability, taste, or prestige of ownership, is of concern to market researchers but is legally immaterial to the issue of whether a particular designation is generic. . . . [The motivation] rationale ignores the reality that the primary objective of purchasers is to obtain particular goods, not to seek out particular sources or producers, as such. Motivation does not change a descriptive term which has acquired distinctiveness or any arbitrary word, name, symbol or device into a generic designation. The correct inquiry is whether the public no longer associates what was a trademark with that single source.

In re D.C. Comics, supra 215 U.S.P.Q. at 404 (Nies, J. concurring) (emphasis in original).

CONCLUSION

The petition for a writ of certiorari

to the Ninth Circuit should be granted.

Dated: New York, New York
January 10, 1983

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No. 82-1075

In the
Supreme Court of the United States

October Term, 1982

CPG PRODUCTS CORP. and
GENERAL MILLS FUN GROUP, INC.,
Petitioners,

v.

ANTI-MONOPOLY, INC.,
Respondent.

ON PETITION FOR WRIT OF CERTIORARI
TO THE UNITED STATES COURT OF APPEALS
FOR THE NINTH CIRCUIT

Motion Of The Grocery Manufacturers
Of America, Inc. For Leave To
Participate *Amicus Curiae* And
Brief In Support Of Petition For
Writ Of Certiorari

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No. 82-1075

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Petitioners,

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**ON PETITION FOR WRIT OF CERTIORARI
TO THE UNITED STATES COURT OF APPEALS
FOR THE NINTH CIRCUIT**

**Motion For Leave Of Court
To Participate As *Amicus Curiae***

The Grocery Manufacturers of America, Inc., (hereinafter "GMA"), pursuant to Rule 36.1 of the Rules of this Court, respectfully moves for leave to submit the attached Brief *amicus curiae* in support of the Petition for Writ of Certiorari herein. The Petition seeks to review the judgment of the United States Court of Appeals for the Ninth Circuit in *Anti-Monopoly, Inc. v. General Mills Fun Group, Inc.*, 684 F.2d 1316 (9th Cir. 1982), entered on August 26, 1982 [hereinafter cited as *Anti-Monopoly II*].

1. GMA has obtained the consent of Petitioner, CPG Products Corp., the successor of General Mills Fun Group, Inc., to participate as *amicus curiae* in this proceeding. However, Respondent, Anti-Monopoly, Inc., has refused to so consent, and this Motion is therefore required under SUP. CT. R. 36.1.

2. GMA is a non-profit trade association of manufacturers and processors of food and non-food products sold in retail outlets throughout the United States. GMA has approximately 130 members, including General Mills, Inc., the parent firm of Petitioner. GMA serves the interests of its members and the consuming public by seeking a competitive market place which maximizes consumer freedom of choice with assurance of health and safety. GMA is concerned with legal, regulatory and legislative developments affecting the industry, including trade regulation. GMA has a direct and abiding interest in the interpretation and judicial construction of federal trademark policies as embodied in the Lanham Act, 15 U.S.C. §§1051-1127 (1976), particularly as they impact on the products offered by its members.

3. The members of GMA collectively employ more than 2.5 million people and have total annual sales in excess of \$200 billion. Most of the products and services offered to the consuming public by GMA members are sold under federally registered trademarks, many of which, like the MONOPOLY trademark involved in this case, have achieved widespread public recognition. GMA believes that the use and registration of these trademarks has served the policies of the Lanham Act by preserving the identity, source and quality of its members' products, by protecting the consuming public from confusion and deception and by encouraging innovation and creativity in the market place.

4. The Ninth Circuit's decision in *Anti-Monopoly II* casts doubt upon the validity of thousands of trademarks diligently

promoted and policed by GMA's members. If the decision below is allowed to stand, few trademarks, particularly those applied to products which are arguably unique or distinctive, could escape serious question as to their validity. Such trademarks will be subject to unprecedented legal challenge and exploitation by those seeking to appropriate for themselves the goodwill and other benefits derived from the public awareness of products which are promoted by others, add to the confusion and, in many cases, the deception of the consuming public. Such a result would undermine the policies of the Lanham Act and destroy incentives, fostered by trademark protection, for the creation and promotion of unique products.

5. The Ninth Circuit's decision in *Anti-Monopoly II* conflicts with the decisions of other circuits and sows confusion among the lower courts. Since this Court has never addressed the issue decided by the Ninth Circuit and has never interpreted the applicable provisions of the Lanham Act, the Petition presents a case of first impression. GMA, whose members would be greatly interested in and affected by such a decision, is uniquely situated to address the reasons why this Court should review *Anti-Monopoly II*.

6. If granted leave by this Court to participate as *amicus curiae*, GMA will support the Petition for Certiorari filed by CPG Products Corp. and General Mills Fun Group, Inc. GMA's involvement would not broaden the issues in this litigation, but would furnish this Court with the benefit of participation by a representative of a broad spectrum of interested and affected parties.

Accordingly, The Grocery Manufacturers of America, Inc., respectfully requests that this Honorable Court grant its Motion for Leave of Court to Participate as *Amicus Curiae* and that its Brief in Support of the Petition for a Writ of Certiorari be accepted.

Respectfully submitted,

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No. 82-1075

In the
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Petitioners,

v.

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ON PETITION FOR WRIT OF CERTIORARI
TO THE UNITED STATES COURT OF APPEALS
FOR THE NINTH CIRCUIT

Brief In Support Of Petition For
Writ Of Certiorari
Of The Grocery Manufacturers
Of America, Inc. as *Amicus Curiae*

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No. 82-1075

In the
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October Term, 1982

CPG PRODUCTS CORP. and
GENERAL MILLS FUN GROUP, INC.,
Petitioners,

v.

ANTI-MONOPOLY, INC.,
Respondent.

Brief of *Amicus Curiae*

The Grocery Manufacturers of America, Inc., respectfully submits this Brief as *amicus curiae* in support of the Petition for Writ of Certiorari to review the judgment of the United States Court of Appeals for the Ninth Circuit in *Anti-Monopoly, Inc. v. General Mills Fun Group, Inc.*, 684 F.2d 1316 (9th Cir. 1982) [hereinafter cited as *Anti-Monopoly II*].

INTEREST OF AMICUS CURIAE

The interest of the Grocery Manufacturers of America, Inc. (hereinafter "GMA") has been set forth in the Motion for Leave of Court to Participate as *Amicus Curiae*.

SUMMARY OF ARGUMENT

In this case, the Ninth Circuit used novel concepts of trademark law to invalidate one of the most celebrated trademarks in the commercial world. It did so by ignoring a fundamental precept of trademark law, by misusing consumer survey evidence and by arbitrarily determining that a distinctive product alone constituted a separate class of products. The Ninth Circuit's decision misapplies a prior decision of this Court and decisions in other circuits and creates a serious conflict with the law of other circuits and with basic policies of the Lanham Act of 1946, 15 U.S.C. §§1051-1127 (1976), enacted by Congress as the statutory foundation of federal trademark law.

The decision of the Ninth Circuit defies commercial reality. It ignores the fact that a trademark, particularly one for a unique or distinctive product produced by only one source, can serve the dual function of identifying both product and source. As such, the decision—if not reviewed by this Court—will jeopardize thousands of well-known trademarks, leaving them exposed to unprecedented legal challenge and exploitation by imitators seeking to appropriate for themselves the public recognition of products promoted by others to the confusion and deception of the consuming public. Such a result would undermine the policies of the Lanham Act and destroy the creative and promotional incentives intended to be fostered by trademark protection.

Review of the Ninth Circuit's decision will be a matter of first impression for this Court. Review by this Court is essential to resolve the grave uncertainty and confusion created by the Ninth Circuit's decision and to preserve the policies and purposes of federal trademark law.

ARGUMENT

I. THE NINTH CIRCUIT WRONGLY DECIDED AN IMPORTANT QUESTION OF FEDERAL LAW WHICH HAS NOT BEEN, BUT SHOULD BE, SETTLED BY THIS COURT.

In *Anti-Monopoly II*, the Ninth Circuit struck down the longstanding and "famous" trademark of MONOPOLY.¹ It did so without disputing the district court's finding that the mark, "MONOPOLY", had been extensively promoted and carefully policed by its owner, Parker Brothers, and was well known to the public as the brand name for a unique and very popular version of a real estate trading board game. Nevertheless, the court below held that the MONOPOLY trademark had become the "common descriptive name of an article or substance" and was therefore invalid and unenforceable under the Lanham Act.²

A. This Court Has Never Decided Under What Circumstances A Validly Registered Trademark Becomes Invalid As The Common Descriptive Name Of An Article Or Substance.

This Court has never addressed the issue decided by the court below—under what circumstances a trademark validly registered under federal law becomes invalid as the "common descriptive name of an article of substance." While this Court's decision in *Kellogg Co. v. National Biscuit Co.*, 305 U.S. 111 (1983) [hereinafter cited as "*Shredded Wheat*"] was cited by the

¹See *Tuxedo Monopoly, Inc. v. General Mills Fun Group, Inc.*, 648 F.2d 1335, 1336 (C.C.P.A. 1981), where the court stated: "We agree with the board that appellee's evidence establishes that appellee has built up an enormous goodwill in the mark MONOPOLY, which has been used since 1935 for a board game and that MONOPOLY may properly be termed a 'famous' mark."

²The Lanham Act provides that a term which was a validly registered can be cancelled if it is shown to have become the "common descriptive name of an article or substance." 15 U.S.C. §1064(c)(1976).

court below as precedent on this issue, that decision did not involve a federally registered trademark and did not discuss the circumstances under which such a trademark could be invalidated as having become, in the time since registration, the "common descriptive name of an article" or a "generic" term.³ In *Shredded Wheat*, trademark registration of the term "shredded wheat" had been refused years before and that refusal had been upheld on appeal. This Court merely agreed that the term "shredded wheat" was "the generic term of the article" and held that as such the original maker of shredded wheat had no exclusive right to use of the term. *Id.* at 116.

B. The Ninth Circuit Wrongly Decided This Question Solely On The Basis Of A Purchaser Motivation Survey.

The court below was led to its erroneous conclusion by an unprecedented and commercially unrealistic reliance on purchaser motivation rather than purchaser understanding in determining the meaning of MONOPOLY to the consuming public. The court below began its analysis by declaring that "the MONOPOLY trademark is valid *only if* 'the primary significance of the term in the minds of the consuming public is . . . the producer.'" *Anti-Monopoly I*, 611 F.2d at 302, *quoting Shredded Wheat*, 305 U.S. at 118 (emphasis added). The court emphasized: "Even if only one producer—Parker Brothers—has ever made the MONOPOLY game, so that the public necessarily associates the product with that particular producer, the trademark is invalid unless source identification is its primary significance." *Anti-Monopoly I*, 611 F.2d at 302, *quoted in Anti-Monopoly II*, 684 F.2d at 1322. The Ninth Circuit insisted that this is the correct approach despite the fact

³Although the legislative history of the Lanham Act reveals a purposeful avoidance of the term "generic", some courts have equated the phrase "common descriptive name of an article or substance" with the word "generic". See, e.g., *In re Searle & Co.*, 360 F.2d 650, 653 (C.C.P.A. 1966).

that the product is known under the name MONOPOLY and is known, by a majority of the purchasing public, to have always been supplied by only one producer.

Following this approach, the court below reached the conclusion, on the basis of a single survey conducted on behalf of the Respondent, that the "primary significance" of MONOPOLY is to identify a product, not its producer. In that survey, a majority of past and prospective purchasers said that they would purchase MONOPOLY primarily because they were "interested in playing the game of MONOPOLY". *Anti-Monopoly II*, 684 F.2d at 1324, quoting *Anti-Monopoly, Inc. v. General Mills Fun Group*, 611 F.2d 296 (9th Cir. 1979) [hereinafter cited as *Anti-Monopoly I*]. That survey merely showed, however, that a majority of those surveyed responded affirmatively to hypotheticals formulated from the following language: "I want a 'Monopoly' game. Don't bother showing me Anti-Monopoly, or EASY MONEY, or backgammon, I am interested in playing the game of Monopoly. I don't much care who makes it." *Anti-Monopoly I*, 611 F.2d at 306, quoted in *Anti-Monopoly II*, 683 F.2d at 1324.⁴ The court below erroneously rejected as irrelevant other surveys considered highly relevant by the district court and courts in other circuits.

The court below misapplied the obvious fact that MONOPOLY is distinguishable from other board games and other real estate trading board games. It did so by using the distinctive features of MONOPOLY to find that this game is a separate class or genus from all other games. The court next reasoned that since MONOPOLY has only one producer, the trademark could not serve the function of distinguishing the

⁴The expression actually used in the survey was: "I want a 'Monopoly' game primarily because I am interested in playing 'Monopoly', I don't much care who makes it." Sixty-five percent (65%) of those surveyed chose this statement. Thirty-two percent (32%) chose: "I would like Parker Brothers' 'Monopoly' game primarily because I like Parker Brothers' products." *Anti-Monopoly II*, 684 F.2d at 1324.

products of another producer. Accordingly, the court held that MONOPOLY is no longer entitled to trademark protection because it connotes product rather than source.

The erroneous approach of the court below raises grave concern over the validity of thousands of extensively promoted, carefully policed trademarks. If the same purchaser motivation approach were used to test the validity of trademarks for unique and popular products, such as CHEERIOS, DR. PEPPER and VELVEETA, they would be subject to defeat in the very same way. Indeed, the court below confirmed this concern by candidly acknowledging that if the same motivational survey accepted by it in this case were applied to a popular detergent known as TIDE, its producers, "Procter and Gamble, might have cause for alarm." *Anti-Monopoly II*, 684 F.2d at 1326.

Thus, the Ninth Circuit's decision, if allowed to stand, will have widespread impact on the validity of trademarks under federal law. The decision clearly affects all trademarks which are of sufficient fame and recognition such that the trademark is better known than the producer of the product. The decision even more pointedly jeopardizes the validity of marks which have served to identify and distinguish products of a unique character and which have been supplied by only one source. Such marks are prevalent not only in the toy and game industry, but also in the food and grocery industry.

C. In Reaching This Incorrect Decision, The Ninth Circuit Ignored The Basic Purposes And Policies Of Trademark Law.

In reaching this result, the court below ignored the basic policies and purposes of trademark law. A trademark is granted protection because it serves to distinguish goods of different producers. A trademark is said to become generic and thus no longer worthy of protection when it becomes a com-

monly descriptive term for a product and no longer distinguishes one manufacturer's goods from another. Products like a MONOPOLY game, however, clearly compete for a consumer's favor with a host of other products.

If trademark protection is denied to a product because it is different from other products, a penalty is thereby created for uniqueness and distinctiveness. Creativity and innovation would thus be inhibited because they would be perceived as causing the loss of trademark protection. Imitators would be free to appropriate the trademarks of others for their competing products, as did the Respondent, Anti-Monopoly, Inc. Clearly, the basic purposes of the Lanham Act, protection of the public and trademark owners, are frustrated by the decision below.⁵

D. The Ninth Circuit's Erroneous Decision On This Question Was Based On A Misreading Of This Court's *Shredded Wheat* Decision And The Relevant Decisions Of Other Courts.

The Ninth Circuit reached its extreme and damaging result on the basis of a misreading of this Court's decision in *Shredded Wheat*. Nabisco there claimed trademark protection for the term "shredded wheat". The facts in *Shredded Wheat* make clear, however, that trademark protection was inappropriate in that case. The term "shredded wheat" was essentially descriptive of a product sold by a number of different producers. Trademark registration had been denied to Nabisco's

⁵The twofold purposes of the Lanham Act are described in its legislative history:

One is to protect the public so it may be confident that, in purchasing a product bearing a particular trademark which it favorably knows, it will get the product which it asks for and wants to get. Secondly, where the owner of a trademark has spent energy, time, and money in presenting to the public the product, he is protected in his investment from its misappropriation by pirates and cheats.

S. REF. NO. 1339, 79th Cong., 2d. Sess. I, reprint in 1946, U.S. CODE CONG. SERVICE 1274.

predecessor, and that refusal was upheld on appeal. Furthermore, Nabisco had made virtually no effort to promote the name and police its use in a proper trademark sense. Consequently, the product itself was generally known to the public as "shredded wheat", regardless of whether Nabisco or some other producer supplied it. Upon these facts alone, *Shredded Wheat* is distinguishable from the case at hand.

Notwithstanding these factors, Nabisco insisted that the words "shredded wheat" had been so long associated with it that they were protectible as its trademark; in other words, they had attained "secondary meaning". The often cited response of this Court was:

There is no basis here for applying the doctrine of secondary meaning. The evidence shows only that due to the long period in which the plaintiff or its predecessor was the only manufacturer of the product, many people have come to associate the product, and as a consequence the name by which the product is generally known, with the plaintiff's factory at Niagara Falls. But to establish a trade name in the term 'shredded wheat' the plaintiff must show more than a subordinate meaning which applies to it. It must show that the primary significance of the term in the minds of the consuming public is not the product but the producer.

Shredded Wheat, 305 U.S. at 118.

It is this precise language that was relied upon by the Ninth Circuit in reaching its decision in *Anti-Monopoly II*. It did so even though *Shredded Wheat* is factually distinguishable from *Anti-Monopoly II* and even though this precise language dealt with the doctrine of secondary meaning, an issue not raised in *Anti-Monopoly II*. These distinctions make clear that the Ninth Circuit's decision, which rests as it does on

Shredded Wheat, is clearly wrong and should be reversed.⁶

The failure adequately to police the use of a trademark is the most significant factor in the other authorities erroneously relied upon by the court below to support its finding that MONOPOLY has become a generic term and is therefore no longer entitled to trademark protection. Thus in *Bayer Co. v. United Drug Co.*, 272 F. 505 (S.D.N.Y. 1921); *DuPont Cellophane Co. v. Waxed Products Co.*, 85 F.2d 75 (2d Cir.), cert. denied, 299 U.S. 601 (1936); and *King-Seeley Thermos Co. v. Aladdin Indus., Inc.*, 321 F.2d 577 (2d Cir. 1963) aff'g *American Thermos Prods. Co. v. Aladdin Indus., Inc.*, 207 F. Supp. 9 (D. Conn. 1962), the courts held, respectively, that the trademarks "Aspirin", "Cellophane" and "Thermos" were no longer valid because the owners of the trademarks had not adequately policed them. As a result, the courts found that products sold by competitors were identified in the public's mind with the trademarked products. Under such circumstances, the courts properly concluded that these trademarks had become common descriptive terms for the products and no longer were identified with one particular producer.

In contrast, the district court found, and the court below did not dispute, that MONOPOLY was a term identified in the public mind only with the real estate trading game produced by Parker Brothers and that Parker Brothers had adequately policed the use of the trademark so as to preclude its use by others. Under such circumstances, MONOPOLY retained its sole identification with the distinctive game produced by Parker Brothers, and the trademark necessarily performed the dual function of identifying both the product and the source.

⁶The Ninth Circuit's decision is only the latest and most extreme example of the widespread confusion among the lower federal courts on the proper approach to resolution of the "genericness" issue. See Comment, *Generic Term or Trademark?: Confusing Legal Standards and Inadequate Protection*, 20 AM. U. L. REV. 109 (1979). A decision by this Court is necessary to clear up the confusion on this important question.

The failure of the court below to recognize the dual function performed by a trademark such as MONOPOLY, its arbitrary determination that the game of MONOPOLY, by itself constituted a separate and distinctive class of products and its unrealistic reliance on consumer motivation, rather than understanding, led to its erroneous conclusion that MONOPOLY was no longer a valid trademark. If the approach utilized by the court below were to be followed by other courts, few trademarks, particularly those for distinctive or unique products which have achieved popularity, could possibly survive. Such a result is plainly erroneous and inconsistent with the basic policies and precepts of trademark law.

II. THE NINTH CIRCUIT'S DECISION CONFLICTS WITH DECISIONS IN OTHER CIRCUITS.

The Ninth Circuit's holding that a trademark must either identify product or source and that a trademark such as MONOPOLY is no longer protected whenever it cannot be shown to be "primarily source indicating", *Anti-Monopoly II*, 684 F.2d at 1323, conflicts with decisions in the Second and other Circuits. The Ninth Circuit created this conflict by rejecting two principles long accepted in other circuits: (1) that a valid trademark can perform a dual function, at once identifying a product and its source and (2) that the determination whether a trademark has become generic depends on the public's *understanding* of the term and its ability to distinguish the trademark owner's goods from those of others, not the public's *motivation* at the time of purchase.

A. The Ninth Circuit's Decision Rejects The Principle Accepted In Other Circuits That A Valid Trademark Can Perform A Dual Function, At Once Identifying A Product And Its Source.

The principle that a valid trademark can perform the dual function of identifying both product and source was recog-

nized in the Second Circuit by the decision of Judge Learned Hand in *Bayer Co. v. United Drug Co.*, 272 F.505 (S.D.N.Y. 1921). *Bayer* concerned the validity of the word "Aspirin" as a trademark. In *Bayer*, the defense showed that the claimant had not adequately policed the trademark for its product and that the term "Aspirin" was commonly used by the public to identify products made by other producers. Accordingly, *Bayer* held that, as to the general public, "Aspirin" had become a generic term for acetyl salicylic acid. However, in so holding, Judge Hand made it clear that some words can and do mean "both the kind of goods and their maker", *id.* at 513, and that in spite of this dual function these words were entitled to protection as trademarks. Thus, Judge Hand emphasized that the trademark "Aspirin" would be protected if it "in fact had come at once to describe the drug in question and also its origin from a single source." *Id.* at 509. Indeed, as Judge Hand observed, the trademark would be protected even if "the identity of the source" were not "known" as long as the trademark identified the product and "that it came from the same single, though, if one please anonymous, source." *Id.*

Judge Hand cited with approval a case he had decided ten years earlier in which he faced the very same issue decided by the Ninth Circuit in this case. *R. Guastavino Co. v. Comerma*, 180 F. 920 (S.D.N.Y. 1910). *Guastavino* concerned the availability of trademark protection for the terms "Spanish tile" and "cohesive tile," terms which had been used exclusively by *Guastavino* for some 30 years. In rejecting the defense that these terms were generic because they identified the product rather than the source of the product, Judge Hand observed that

all that is needed for a valid trade-mark is that the name should indicate the manufacturer of [sic] the owner, whether there are other manufacturers or not. If the name has come to mean both the article and its

manufacturer, it is none the less a misapplication to apply it to the article when made by another. Strictly speaking the article has never yet got a generic name at all; usage has heretofore not found it necessary to distinguish between product and manufacturer. That does not change the fact that the work in question does mean the product of *Guastavino*. The name has not become generic, because the thing has not yet become a genus.

Id. at 921.

Thus in the Second Circuit, as long as "usage has heretofore not found it necessary to distinguish between product and manufacturer" a trademark is no less valid merely because it identifies both the product and its source. This is so especially with respect to particular or unique products supplied by a single, though perhaps anonymous, source. *Selchow & Righter Co. v. McGraw-Hill Book Co.*, 439 F.Supp. 243 (S.D.N.Y. 1977), *aff'd* 580 F.2d 25 (2d Cir. 1978).

This principle also finds express support in the Federal Circuit.⁷ *Dan Robbins & Assocs., Inc. v. Questor Corp.*, 599 F.2d 1009 (C.C.P.A. 1979). There the court sustained the rejection of a challenge to the validity of the TINKERTOY trademark on the ground of genericness, stating that "[i]t is enough that purchasers can rely on a mark to distinguish products emanating from different sources, and a mark need not identify a specific source." *Id.* at 1014.

Similarly, in the very recent case of *In re DC Comics, Inc.*, 689 F.2d 1042 (C.C.P.A. 1982), the court held that certain

⁷The United States Court of Appeals for the Federal Circuit was established October 1, 1982, by the Federal Courts Improvement Act of 1982, Pub.L. No. 97-164, §101, 96 Stat.25 (1982). In its first decision, the Federal Circuit adopted as precedent that body of law represented by the holdings of the Court of Claims and the Court of Customs and Patent Appeals as of September 30, 1982. *South Corp. v. United States*, 690 F.2d 1368 (Fed. Cir. 1982).

stylized drawings were registerable as trademarks. Judge Nies in an extensive concurring opinion addressed the "source versus goods identification" issue head-on in the context of a unique and distinct product such as involved here:

No principle of trademark law requires the imposition of penalties for originality, creativeness, attractiveness, or uniqueness of one's product or requires a holding that the name arbitrarily selected to identify the product or a unique product design of a product, cannot also function as an identification of source. Indeed, it is only if the product design is unique that the public may come to rely upon it as an indication of source. *In re Minnesota Mining & Mfg. Co.*, 51 CCPA 1546, 335 F. 2d 836, 142 USPQ 366 (1964).

Id. at 1053 (Nies, J., concurring). Judge Nies stressed the dual trademark function of product and source identification in observing that

[t]he principle that a trademark must indicate "source" and not "goods" does not condemn single product word marks or designs. A word, name, symbol or device indicates "source" within the meaning of the truism if it indicates goods of one producer to the public, and it indicates "goods" if the public does not identify the asserted mark with goods from a particular source. . . . Once it is understood that a trademark is functioning to indicate 'source' when it identifies goods of a particular source, the truism then reflects the above-stated objectives of trademark law and the way trademarks actually function in the marketplace. . . . The correct inquiry is whether the public no longer associates what was a trademark with that single source.

Id. at 1054 (Nies, J., concurring). This same principle was recognized by this Court in *Coca-Cola Co. v. Koke Co. of America*, 254 U.S. 143 (1920), where it stated:

The name now characterizes a beverage to be had at almost any soda fountain. It means a single thing coming from a single source, and well known to the community. It hardly would be too much to say that the drink characterizes the name as much as the name the drink. In other words "Coca-Cola" probably means to most persons the plaintiff's familiar product to be had everywhere rather than a compound of particular substances. . . . [W]e see no reason to doubt that . . . it has acquired a secondary meaning *in which perhaps the product is more emphasized than the producer*, but to which the producer is entitled.

Id. at 146 (citations omitted) (emphasis added).

B. The Ninth Circuit's Decision Rejects The Principle Accepted In Other Circuits That Whether A Trademark Has Become The Common Descriptive Name Of An Article Depends On The Public's Understanding Of The Mark, Not The Public's Motivation To Purchase A Product.

The decision of the court below further conflicts with Judge Hand's decision in *Bayer* and with the decisions of other courts by holding the trademark MONOPOLY to be generic solely on the basis of a consumer motivation survey. In contrast, Judge Hand emphasized in *Bayer* that the central inquiry in determining whether a trademark has become generic is the public's *understanding* of the meaning of the term: "The single question, as I view it, in all these cases, is merely one of fact: What do the buyers understand by the word for whose use the parties are contending?" *Bayer*, 272 F. at 509.

The answer to the question concerns consumer understanding, not motivation.⁸ Similarly, other decisions in the

⁸Also relevant is purchaser testimony, consumer surveys, and listings in dictionaries, trade journals, newspapers and other publications. *Dan Robbins & Assocs., Inc. v. Questor Corp.*, 599 F.2d at 1014.

Second Circuit, unlike the decision of the court below, have correctly recognized that consumer understanding and recognition of a trademark, not motivation in purchasing a particular product, is the basic test for determining whether a valid trademark has become generic.⁹

The decisions are the same in the Federal Circuit—"Whether the relevant purchasing public regards a term as a common descriptive name is a question of fact which must be resolved on the evidence." *Dan Robbins & Assocs., Inc. v. Questor Corp.*, 599 F.2d at 1014 (citing the "single question" set forth by Judge Hand in the *Bayer* opinion.) Public understanding, not motivation, is determinative. To hold otherwise, as did the court below, is to ignore the function of a trademark which is to identify its user's goods and to distinguish such goods from those of others. *In re Searle & Co.*, 360 F.2d 650, 652 (C.C.P.A. 1966).¹⁰ It also ignores the very definition of a trademark found in the Lanham Act. "The term 'trade-mark' includes any word, name symbol, or device or any combination thereof adopted and used by a manufacturer or merchant to identify his goods and distinguish them from those manufac-

⁹See, e.g., *Dupont Cellophane Co. v. Waxed Prods. Co.*, 85 F.2d 75, 77 (2d Cir. 1936) ("The real problem is what it *meant* to the buying public. . .") (emphasis added); *American Thermos Prods. Co. v. Aladdin Indus., Inc.*, 207 F.Supp. 9, 26 (D.Conn. 1962) ("A designation which is initially a trade-mark . . . ceases to be such when it comes to be *generally understood* as a generic . . . designation for the type of goods, services or business in connection with which it is used.") (quoting RESTATEMENT OF TORTS §735 (1938) (emphasis added), *aff'd sub nom.* *King-Seeley Thermos Co. v. Aladdin Indus., Inc.*, 321 F.2d 577 (2d Cir. 1963); *E. I. DuPont de Nemours and Co. v. Yoshida Int'l, Inc.*, 393 F.Supp. 502, 523 (E.D.N.Y. 1975) ("In this circuit . . . the most recent statement of the standard of review of a trademark which both identifies the class of product as well as its source, is the *public's understanding* of the term. . .") (emphasis added).

¹⁰[T]he function of a trademark is to point distinctively, either by its own meaning or by association, to the origin or ownership of the wares to which it is applied. . . ." *Estate of Beckwith v. Commissioner of Patents*, 252 U.S. 538, 543 (1919) (emphasis added).

tured or sold by others." 15 U.S.C. §1127 (1976). Nothing in that definition suggests that the exclusive function of a trademark is to identify source rather than product, as the court below erroneously held.

The court's rejection as irrelevant surveys considered by the district court conflicted with decisions in other circuits. Those surveys established that 55% of the American public identified Parker Brothers as the producer of the game and that 63% recognized "MONOPOLY" as a brand name. *Anti-Monopoly II*, 684 F.2d at 1323. The court's rejection of this evidence directly conflicts with several decisions in the Second Circuit. *E. I. DuPont de Nemours and Co. v. Yoshida Int'l, Inc.*, 393 F.Supp. 502, 527 (E.D.N.Y. 1975) held that a survey indicating whether the public recognized TEFLON as a brand name was the only type of survey which addressed the critical question raised by the genericness defense: what was "the principal significance of the TEFLON mark to the public." More recently, the Second Circuit expressly recognized that a "brand" name is the polar opposite of a "generic" name, stating that "A coined term, initially suggestive or even fanciful, can lose its full trademark status if it comes to signify to the public the generic name of an article rather than the source of a particular brand of that article." *McGregor-Doniger Inc. v. Drizzle Inc.*, 599 F.2d 1126, 1131 (2d Cir. 1979). See also *Standard Brands, Inc. v. Smidler*, 151 F.2d 34, 36 (2d Cir. 1945) and *Stix Prods., Inc. v. United Merchants & Mfrs., Inc.*, 295 F.Supp. 479, 491 (S.D.N.Y. 1968).

These decisions recognize that if the consuming public understands that a particular trademark distinguishes a particular product from those of other producers, the trademark identifies both the product and the source and should be protected as a trademark. Such would clearly be the result in the Second and Federal Circuits.

In the Ninth Circuit, however, it is equally clear that the result would be different. In that circuit, a trademark for a product supplied by a sole producer can retain its validity only if it primarily identifies the source, and not the product. Moreover, such an identification must be determined by the court on the basis of consumer motivation rather than the well-accepted consumer understanding test. If such a test indicated that consumers were "motivated" to buy the product primarily out of affection for the product, and not the manufacturer, the product would be placed in a separate class or "genus" and, therefore, viewed as a generic product unprotected by trademark law. This important conflict among the circuits created by the novel approach and arbitrary result of the Ninth Circuit in this case can only be resolved through review of the decision below by this Court.

CONCLUSION

For the foregoing reasons, the Petition for Certiorari should be granted.

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CERTIFICATE OF SERVICE

I hereby certify that three true and correct copies of the foregoing Motion of The Grocery Manufacturers of America, Inc. for Leave to Participate *Amicus Curiae* and Brief in Support of Petition for Writ of Certiorari were served this 17th day of January, 1983 on counsel for all parties of record by depositing the same in the United States Mail, First Class, postage prepaid, addressed as follows:

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No. 82-1075

IN THE
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OCTOBER TERM, 1982

CPG PRODUCTS CORP. AND GENERAL MILLS
FUN GROUP, INC.,

Petitioners,

v.

ANTI-MONOPOLY, INC.,

Respondent.

On Petition for a Writ of Certiorari to the United States
Court of Appeals for the Ninth Circuit

**MOTION FOR LEAVE TO FILE BRIEF AND
BRIEF OF THE NATIONAL ASSOCIATION OF
MANUFACTURERS AS AMICUS CURIAE IN
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On Petition for a Writ of Certiorari to the United States
Court of Appeals for the Ninth Circuit

**MOTION OF THE NATIONAL ASSOCIATION OF
MANUFACTURERS FOR LEAVE TO FILE BRIEF
AS *AMICUS CURIAE***

The National Association of Manufacturers (hereinafter "NAM"), by and through its attorneys, hereby moves this Court pursuant to Rule 36 of the Rules of the Supreme Court for leave to file a brief as *amicus curiae* in support of the Petition for a Writ of Certiorari to the United States Court of Appeals for the Ninth Circuit. The NAM has received consent from petitioners, but respondent, through its counsel, has refused consent.

The National Association of Manufacturers is a non-profit voluntary business association incorporated under the laws of the State of New York representing more than 12,000 manufacturing and related business concerns which in the aggregate account for an estimated 85 percent of all manufacturing employees and 80 percent of

the nation's industrial output. In addition, through its Associations Department and the National Industrial Council, NAM is affiliated with approximately 158,000 businesses, many of whom share our vital interest in an effective and efficient trademark protection system in the United States.

The fundamental problem arising from the ruling of the Ninth Circuit Court of Appeals in the instant case is that it creates uncertainty and inconsistency in the approach taken by our federal courts in determining whether the name of a product is generic or actually a legitimate, recognizable, and legally protectable trademark. This issue has ramifications across the entire range of manufacturing industries, since the Ninth Circuit's opinion by its own admission calls into question virtually any trademark. We believe that the decision and its underlying rationale, if unreviewed by this Court, will do extensive damage to the validity and enforceability of many of the trademarks held by NAM's members and will seriously impair our members' ability to protect the substantial goodwill symbolized by those trademarks.

We urge that we be granted leave to file our brief as *amicus curiae* to highlight the important effect of these issues on American industry.

Respectfully submitted,

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BRIEF OF THE NATIONAL ASSOCIATION OF
MANUFACTURERS AS AMICUS CURIAE IN
SUPPORT OF PETITIONER

INTEREST OF AMICUS CURIAE

The National Association of Manufacturers (NAM) hereby submits this brief as *amicus curiae* in support of the petition for certiorari to the United States Court of Appeals for the Ninth Circuit. Our interest is set forth in the accompanying motion for leave to file this brief.

SUMMARY OF THE CASE

Respondent, Anti-Monopoly, Inc., sought a declaratory judgment that the trademark MONOPOLY is invalid and not infringed by respondent's use of the mark ANTI-MONOPOLY for a board game. Twice the district court ruled that the trademark MONOPOLY was valid,¹ and

¹ *Anti-Monopoly, Inc. v. General Mills Fun Group, Inc.*, 195 U.S.P.Q. 634 (N.D. Cal. 1977); *Anti-Monopoly, Inc. v. General Mills Fun Group, Inc.*, 515 F. Supp. 448 (N.D. Cal. 1981).

twice the Ninth Circuit reversed, relying extensively on the propriety of certain survey evidence, rejecting other survey evidence, and formulating a new rule of law that will make trademark rights dependent upon whether or not the public can identify by name the particular producer of the product on which the mark appears.² The questions presented to this Court are (1) whether a trademark is generic solely because a majority of purchasers buy the product because of a desire to have that product and not because of loyalty to its producer, and (2) whether a court of appeals may substitute its view of the evidence for that of the trial court under the "clearly erroneous" standard of Rule 52(a) of the Federal Rules of Civil Procedure.

SUMMARY OF THE ARGUMENT

The Ninth Circuit decision is in direct conflict with the legal principles announced by this Court and other federal courts in determining whether a particular trademark is or has become a generic term and also creates confusion regarding the proper interpretation of the Federal Trademark Act of 1946 (Lanham Act).³

This case presents a conflict involving fundamental principles of trademark law that must be authoritatively resolved by this Court in order to maintain a viable trademark system which is intended to, and does, protect important private and public interests. The basic purpose of our trademark system is to prevent public confusion or mistake as to the source of a product and to enable consumers to choose among competing products based upon past experience and quality expectations. It is essential that the legal rules underlying trademark protection, and

² *Anti-Monopoly, Inc. v. General Mills Fun Group, Inc.*, 611 F.2d 296 (9th Cir. 1979); *Anti-Monopoly, Inc. v. General Mills Fun Group, Inc.*, 684 F.2d 1316 (9th Cir. 1982).

³ 15 U.S.C. §§ 1051-1127 (1976 & Supp. V 1981).

particularly those governing whether a mark has become generic, uniformly further that policy objective.

The Ninth Circuit decision has the potential to impair significantly federal and common law trademark rights because it resolves the question of whether a trademark is generic on the basis of purchaser motivation rather than purchaser recognition of the mark as a valid source indicator. While this particular decision involves a trademark for a product made by only one manufacturer, the ramifications of the opinion affect all trademarks, including those for goods produced by more than one manufacturer.

ARGUMENT

I. THIS COURT SHOULD RESOLVE THE CONFLICT BETWEEN THE NINTH CIRCUIT AND THIS AND OTHER FEDERAL COURTS

The Ninth Circuit decision is in fundamental conflict with decisions of other federal courts, including the Supreme Court. The test for determining whether a trademark has become the generic name for a product is critical and thus demands uniformity. Early in its opinion, the Ninth Circuit appeared to conform to the well-recognized legal principle that a trademark functions both to identify a product and its source.⁴ However, throughout the remainder of the opinion, the court failed to credit this dual function and in effect even equated the source-identifying function with purchaser knowledge of the actual identity of the producer. The requirement of such an identification puts the Ninth Circuit in direct conflict with this Court, other federal courts and with fundamental principles of trademark law.

A. The Ninth Circuit Decision Fails to Recognize the Dual Function of a Trademark

The Ninth Circuit held that a trademark is not generic if "the primary significance of the term in the minds of

⁴ 684 F.2d at 1321.

the consuming public is not the product but the producer" and "when a trademark primarily denotes a product, not the product's producer, the trademark is lost."⁵ However, the functions of product identification and source identification are not mutually exclusive. This Court in *Kellogg Co. v. National Biscuit Co.*⁶ recognized that a trademark may identify both a product and its source when it stated that the *primary* significance of the term must be as an indicator of source. The term "shredded wheat" was held to be generic because the evidence demonstrated that to the general public this term indicated a *type* of product (a pillow-shaped biscuit) and not a cereal from a particular source.⁷

Here, on the other hand, survey evidence indicated that 55 percent of the public associated the MONOPOLY board game with Parker Brothers by name, and 63 percent recognized MONOPOLY as a "brand name" for a particular product.⁸ Despite the direct bearing of this survey on the issue of the primary significance of MONOPOLY, the Ninth Circuit rejected the evidence as irrelevant.⁹

In *E.I. DuPont de Nemours and Co. v. Yoshida International, Inc.*,¹⁰ the District Court for the Eastern District of New York held that a survey of the same type rejected by the Ninth Circuit (the "Teflon" survey) is one which focuses on the "critical element" in a genericness case.¹¹ Such a survey poses the question which is the

⁵ 684 F.2d at 1319.

⁶ 305 U.S. 111 (1938).

⁷ 305 U.S. at 116-19. See *Bayer Co. v. United Drug Co.*, 272 F. 505, 509 (S.D.N.Y. 1921), wherein Judge Learned Hand asked "whether the buyers merely understood that the word 'Aspirin' meant this kind of drug, or whether it meant *that and more than that . . .*" (emphasis supplied).

⁸ 684 F.2d at 1321.

⁹ *Id.* at 1323.

¹⁰ 393 F. Supp. 502 (E.D.N.Y. 1975).

¹¹ *Id.* at 527.

ultimate issue in this case: is the term MONOPOLY perceived by consumers to be a "brand name" (i.e., trademark) or a "common name" for the product in question?¹² Yet the Ninth Circuit, in rejecting the *DuPont* survey approach, stated that such a survey "had no relevance to the question in this case" because it said nothing about the *primary* meaning of MONOPOLY in the minds of consumers.¹³ The court focused instead on the fact that the MONOPOLY board game is a single source product, stating "Monopoly" would have to be a 'brand name' because it is made by only one company."¹⁴ This analysis completely ignores the public perception of MONOPOLY as evidenced by both petitioner's and respondent's surveys and substitutes instead the court's perception. The issue is whether the public understands that a product bearing a particular trademark originates from a single source. The fact that there is only one producer of a product, or even that the name of the producer is unknown to the public, does not alter the controlling legal test. So long as the public is aware of a single, albeit anonymous source, the trademark functions as intended and is valid.¹⁵

B. The Ninth Circuit Decision is in Conflict With Other Circuits With Respect to the Relevance of Purchaser Motivation in Buying a Trademarked Product

As noted above, when the *primary* significance of a term in the mind of the public is source identification, that term functions as a trademark.

¹² As Judge Hand stated the issue in *Bayer Co.*, "What do the buyers understand by the word for whose use the parties are contending?" 272 F. at 509.

¹³ 684 F.2d at 1323.

¹⁴ *Id.*

¹⁵ *E.g.*, *Feathercombs, Inc. v. Solo Products Corp.*, 306 F.2d 251, 255 (2d Cir. 1962); *Bayer Co. v. United Drug Co.*, 272 F. 505 (S.D. N.Y. 1921); *Dan Robbins & Associates, Inc. v. Questor Corp.*, 599 F.2d 1009, 1014 (C.C.P.A. 1979); J. McCarthy, *Trademarks and Unfair Competition*, Vol. I, § 3.3(B) (1973).

In order to determine the primary significance of the term MONOPOLY, the Ninth Circuit placed conclusive reliance on respondent's "motivation" survey showing that 65 percent of purchasers buy the MONOPOLY board game "primarily because I am interested in playing 'Monopoly'. I don't much care who makes it".¹⁶ According to the survey, all other respondents said that the reason for buying the game is primarily because "I like Parker Brothers' products."¹⁷ The heavy weight placed upon the "motivation" survey, to the exclusion of other survey evidence, effectively rejects the dual function of trademarks and relies upon factors which are totally irrelevant to the issue of genericness. Most, if not substantially all consumers recognize a trademark (or "brand name") as denoting a product of a particular company—even if the precise name of the company is not known. While consumers may buy a trademarked product without knowing or even caring who the manufacturer is, consumers still expect the product to have the same characteristics and quality as their last purchase of this particular "brand". The trademark, among other things, is the tangible symbol of that expectation. In looking primarily to the purchaser's motivation in buying the MONOPOLY board game, the Ninth Circuit ignored the primary significance which this term has to the public—to denote the single source of this particular game.

The Ninth Circuit emphasizes the fact that purchasers of the game involved in this case ask for it by the name MONOPOLY.¹⁸ However, this is a function of consumer use of trademarks and does not necessarily indicate whether the mark is *perceived* by consumers to be a brand name (trademark) or a generic term. In almost all product categories, consumers use trademarks to identify par-

¹⁶ 684 F.2d at 1324.

¹⁷ *Id.*

¹⁸ 684 F.2d at 1324-25.

ticular products, knowing, however, that the trademarks represent particular manufacturers.

The Ninth Circuit decision in effect demands that the consuming public recognize the names of the manufacturers of the products it buys. While this recognition may occur in many instances, trademark rights are not dependent upon such recognition. This point was skillfully made by Judge Nies of the Court of Customs and Patent Appeals¹⁹ in her concurring opinion in *In re DC Comics, Inc.*²⁰ In that opinion, Judge Nies clearly reasoned that a survey addressed to the motivation of purchasers, such as that relied upon by the Ninth Circuit, is legally immaterial to the issue of genericness. Motivation "is of concern to market researchers," but "[m]otivation does not change a descriptive term which has acquired distinctiveness or an arbitrary word, name, symbol or device into a generic designation."²¹ Due to the special competence of the Court of Customs and Patent Appeals in trademark matters, and the fundamental conflict between that court and the Ninth Circuit on this point, this critical issue should be reviewed by the Court.

C. The Ninth Circuit Did Not Apply the Appropriate Legal Standard of Review

Rule 52(a) of the Federal Rules of Civil Procedure states that a trial court's findings of fact "shall not be set aside unless clearly erroneous and due regard shall be given to the opportunity of the trial court to judge the credibility of the witnesses." Nevertheless, the Ninth Circuit twice reversed the trial court's holding that the pri-

¹⁹ The United States Court of Customs and Patent Appeals and the United States Court of Claims were merged on October 1, 1982, resulting in The United States Court of Appeals for the Federal Circuit. Federal Courts Improvement Act of 1982, Pub. L. No. 97-164 (April 2, 1982).

²⁰ — F.2d —, 215 U.S.P.Q. 394 (C.C.P.A. 1982).

²¹ *Id.* at 404.

mary significance of MONOPOLY is to indicate source. The trial court decisions were based upon a careful and thorough review of all the evidence presented by the parties, including survey evidence and testimony which demonstrated that the public's awareness of MONOPOLY as a "brand name", and in particular as the brand name of Parker Brothers, was the primary significance of the term. Although the specific identity of the source is legally irrelevant, even respondent's motivation survey indicated that nearly one out of three purchasers of the MONOPOLY board game bought it primarily because they like Parker Brothers products.²² It is difficult to imagine a trademark which is more readily identified with its producer than this one, except for those marks which are substantially similar to the trade names of their producers, such as COCA-COLA or KODAK. Yet the Ninth Circuit, acknowledging that there was evidence to support the trial court's findings,²³ twice substituted its own judgment for that of the district court. This is precisely the kind of appellate review that is prohibited both by Rule 52 and decisions of this Court.²⁴

II. THE NINTH CIRCUIT DECISION IS INCONSISTENT WITH THE POLICIES UNDERLYING TRADE-MARK LAW

The Federal Trademark Act of 1946 protects the rights of a trademark owner in a mark which identifies its goods and distinguishes them from those manufactured or sold by others.²⁵ Trademark laws also serve a critically important function in the protection of the interests of the

²² 684 F.2d at 1324.

²³ *Id.* at 1326.

²⁴ *Pullman-Standard v. Swint*, — U.S. —, 72 102 S.Ct. 1781 (1982); *Inwood Laboratories v. Ives Laboratories*, — U.S. —, 102 S.Ct. 2182 (1982).

²⁵ 15 U.S.C. § 1127 (1976) (the definition of a "trademark").

consuming public.²⁶ When a consumer buys a product bearing a particular trademark and is pleased with the quality or other characteristics of the product, it is the trademark which enables easy identification of the product for subsequent purchases. The trademark tells the consumer that the second and subsequent purchases of this particular product will emanate from the same original source (perhaps anonymous) as did the first purchase. By the same token, if the consumer is dissatisfied with the quality or features of a trademarked product, repurchases of that product may be readily avoided because the trademark identifies it as emanating from the same source as the original product.

Since this case involves a product which is produced by only one manufacturer, the public necessarily associates MONOPOLY with the particular qualities and characteristics of the Parker Brothers game.²⁷ However, whether or not the public can identify Parker Brothers by name as the source of the game is legally irrelevant to the determination of the primary significance of MONOPOLY, as are the consumer's motivations for purchasing the game. So long as consumers perceive MONOPOLY as a means of ensuring that every MONOPOLY game emanates from the same source, MONOPOLY functions as a valid trademark. Merely because one producer has exclusive rights in a particular product by virtue of copyright or patent protection, does not mean that the trademark for that product is any less legitimate or im-

²⁶ *Pepsico, Inc. v. Grapette Co.*, 416 F.2d 285, 289 (8th Cir. 1969) ("The consumer might buy a product thinking it to be of one quality of having certain characteristics and could find it only too late to be another."); *W.E. Bassett Co. v. Revlon, Inc.*, 354 F.2d 868, 871 (2d Cir. 1966) ("The purpose of the trademark laws is to protect the public from the confusion and deception which flows from the copying of marks which, through their distinctiveness or exclusivity of use, identify the origin of the marked products.").

²⁷ 684 F.2d at 1322.

portant.²⁸ Once petitioner's copyright protection expires, the identical product may be manufactured by another and sold under a trademark which is not confusingly similar to MONOPOLY. If the public at that point perceives both products as "monopoly games", the name might well be generic. On the other hand, if the public continues to recognize MONOPOLY as identifying the Parker Brothers game and distinguishing it from a competitor's version, MONOPOLY would continue to function as a valid trademark and be entitled to protection as such.

The effect of the Ninth Circuit decision is to hold MONOPOLY generic because consumers have not had an opportunity to compare the Parker Brothers game with a competitor's version. Because the court found no "interchangeable goods" which a consumer may substitute for the MONOPOLY game, it found that the MONOPOLY game constitutes a genus of products and that MONOPOLY is the generic name for the genus.²⁹ Such reasoning is circular and could be used to invalidate most, if not all, trademarks for single source products.

One of the major purposes of contemporary advertising is to persuade the consumer that there is no substitute for the advertised product because of its unique or superior qualities as compared to other products. Under the Ninth Circuit analysis, almost any product having such qualities can be characterized as constituting its own genus. Such

²⁸ See *Ross-Whitney Corp. v. Smith Kline & French Laboratories*, 207 F.2d 190, 195 (9th Cir. 1953); *President Suspender Co. v. Mac-William*, 238 F. 159, 163 (2d Cir. 1916), *cert. denied*, 243 U.S. 636 (1917) ("There is no presumption of law, without proof of the fact . . . that a name used on a patent article passes to the public on the expiration of the patent. . ."); *Chas. Pfizer & Co. v. Generic Formulae, Inc.*, 275 F. Supp. 421, 423 (E.D.N.Y. 1967); *Marks v. Polaroid Corp.*, 129 F. Supp. 243, 270-71 (D. Mass. 1955), *aff'd*, 237 F.2d 428 (1st Cir. 1956), *cert. denied*, 352 U.S. 1005 (1957).

²⁹ 611 F.2d at 305-06.

a result was contemplated by Judge Nies in *In re DC Comics, Inc.*:³⁰

The application of the truism [that a trademark functions to indicate the source of goods, not the goods themselves] depends upon how the public perceives and uses the asserted mark, as well as upon accepted business practices. It becomes sophistry if the generic nature of a word or name depends on how broadly or narrowly the board, or a court, defines a "kind" or "class" of goods. Competing products in our economy need not be precisely identical. Competitive products are commonly promoted on the basis of their differences, the better brightener in a toothpaste or detergent, the more effective relief of an analgesic, antihistamine, or eye wash, the more alluring fragrance of a particular perfume, the appealing design of particular tableware, automobiles or jeans, the greater durability of a particular maker's washing machine, the greater excitement of playing a particular game, the long-lasting quality of a particular make-up, the unique flavor of a brand of chicken, beer, soup, pie or pizza, the better results of a particular weight control program or speed reading course, the sound of a particular musical group. Under the PTO [Patent and Trademark Office] view, each of these products and services could be deemed a "kind" or "class," and the particular means by which the public identifies it would be condemned as a generic designation regardless of its useful function to the public. Trademark protection would then be limited to house marks and to marks for fungible goods and would be eliminated for trademarks (whether name or design) applied to single products available only from single producers.

Similarly, the motivation survey relied upon by the Ninth Circuit undermines another basic policy objective of trademark law—protection of the public's ability to distinguish between products. Whether a consumer buys

³⁰ 215 U.S.P.Q. 394, 404 (C.C.P.A. 1982).

a game because he likes to play it, because he likes the manufacturer, or because he likes the color of the box in no way indicates whether the consumer relied upon a trademark to distinguish that game from others.

III. THE NINTH CIRCUIT DECISION WILL HAVE A WIDESPREAD NEGATIVE IMPACT ON MANUFACTURERS OF ALL KINDS

Although this case arises in the context of a unique board game produced by only one manufacture, the Ninth Circuit opinion casts serious doubts on the validity of a substantial number of trademarks for all types of products. Since the court indicates that Procter and Gamble "might have cause for alarm" about the validity of the trademark TIDE,³¹ it appears that the Ninth Circuit would not find it difficult to create an artificial genus composed solely of one particular brand of laundry detergent.

If this decision is allowed to stand, the result will be to jeopardize the many years and millions of dollars spent in creating and developing brand recognition, loyalty and goodwill, all symbolized by the trademarks of the products' manufacturers. The consumer will no longer be able to differentiate among the products of various manufacturers because each will be free to use the other's "generic" trademarks. There will be no incentive for a manufacturer to strive for high quality standards because consumers will be unable to use trademarks as a means of making or avoiding subsequent purchases of particular products. Trademark owners will be faced with endless litigation challenging the validity of their trademarks simply because a particular "motivation" survey indicates that some unknown percentage of the public fails to identify the manufacturer.

The Ninth Circuit opinion accordingly is inconsistent with federal trademark law, other federal court opinions and important public policy objectives.

³¹ 684 F.2d at 1326.

CONCLUSION

For the reasons stated above, the petition for a writ of certiorari to the United States Court of Appeals for the Ninth Circuit should be granted.

Respectfully submitted,

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No. 82-1075

IN THE
SUPREME COURT OF THE UNITED STATES
OCTOBER TERM, 1982

CPG PRODUCTS CORP. and GENERAL MILLS
FUN GROUP, INC.,

Petitioners,

v.

ANTI-MONOPOLY, INC.,

Respondent.

MOTION FOR LEAVE TO FILE BRIEF
AMICUS CURIAE

and

BRIEF OF AMICUS CURIAE THE PROCTER &
GAMBLE COMPANY IN SUPPORT OF A PETITION
FOR A WRIT OF CERTIORARI TO THE UNITED
STATES COURT OF APPEALS FOR THE
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**MOTION FOR LEAVE TO FILE BRIEF
AMICUS CURIAE**

The Procter & Gamble Company respectfully moves pursuant to Rule 42 of the Rules of the Supreme Court of the United States for leave to file the attached Brief Amicus Curiae in this case.

The written consent of the petitioners accompanies this Motion and Brief Amicus Curiae. The consent of the respondent was requested but refused.

The basis for the motion is the potential adverse effect of the Ninth Circuit's holding in this case on the rights of trademark owners, and The Procter & Gamble Company's interest in the outcome results from the fact that it

markets a number of consumer, industrial and institutional products under various trademarks. Moreover, one of its trademarks, TIDE, was brought into this proceeding when the petitioners introduced a survey concerning it in order to show the fallaciousness of the respondent's motivation survey and is discussed in the decision. *Anti-Monopoly, Inc. v. General Mills Fun Group, Inc.*, 684 F.2d 1316, 1326 (9th Cir. 1982).

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**BRIEF OF AMICUS CURIAE THE PROCTER &
GAMBLE COMPANY IN SUPPORT OF A
PETITION FOR WRIT OF CERTIORARI**

INTEREST OF THE AMICUS CURIAE

The Ninth Circuit's holding in this case could have a profound adverse effect on the rights of trademark owners, and The Procter & Gamble Company's interest in the outcome results from the fact that it markets a number of consumer, industrial and institutional products under various trademarks. Moreover, one of its trademarks, TIDE, was brought into this proceeding when the petitioners introduced a survey concerning it in order to show the fallaciousness of the respondent's motivation survey and is discussed in the decision. *Anti-Monopoly*,

Inc. v. General Mills Fun Group, Inc., 684 F.2d 1316, 1326 (9th Cir. 1982).

SUMMARY OF ARGUMENT

The Court of Appeals for the Ninth Circuit reversed the findings of the district court as clearly erroneous and held that the MONOPOLY trademark is no longer valid because it has become the common descriptive or "generic" name of the product in question, a real estate trading board game. *Id.*

In so doing, the court relied importantly on a "motivation" survey commissioned by the respondent which had been rejected by the district court. The survey was based on the following test which the court of appeals had formulated in the first appeal in this case:

It may be that when a customer enters a game store and asks for MONOPOLY, he means "I would like Parker Brothers' version of a real estate trading game, because I like Parker Brothers' products. Thus, I am not interested in board games made by Anti-Monopoly, or anyone other than Parker Brothers." On the other hand, the consumer may mean: "I want a 'Monoply' game. Don't bother showing me Anti-Monopoly, or EASY MONEY, or backgammon. I am interested in playing the game of Monopoly. I don't much care who makes it."

In the first example, the consumer differentiates between MONOPOLY and other games according to source-particular criteria. In the second example, source is not a consideration *Anti-Monopoly, Inc. v. General Mills Fun Group et al.*, 611 F.2d 296, 305-06 (9th Cir. 1979).¹

¹ In the respondent's survey, these statements were paraphrased to read "I would like Parker Brothers' 'Monopoly' game primarily be-

This test would set a new standard for determining the validity of a trademark. That is, if purchasers are not primarily motivated by knowledge of *and* regard for the product's producer, the trademark may be held to have become the generic name of the product itself on those grounds alone.

Such a standard is completely in conflict with the definition of a trademark in the United States Trademark Act of 1946 (popularly known as the "Lanham Act"), long accepted principles of trademark law as reflected in prior decisions of the appellate courts, including the Ninth Circuit itself, and the realities of modern marketing.

ARGUMENT

I. UNITED STATES TRADEMARK ACT OF 1946 (The "Lanham Act")

This Act defines a trademark as "any word, name, symbol, or device or any combination thereof adopted and used by a manufacturer or merchant to identify his *goods* and distinguish them from those manufactured or sold by others." 15 U.S.C. § 1127 (emphasis added). Notably missing from this definition is a requirement that the manufacturer or merchant in question be identified as such; accordingly, whether or not a trademark does so is inconsequential.

cause I like Parker Brothers' products" and "I want a 'Monopoly' game primarily because I am interested in playing 'Monopoly,' I don't much care who makes it." People who said they had bought the game or intended to do so were asked which of the two statements best expressed their reasons. Thirty-two percent chose the former; sixty-five percent the latter. *Anti-Monopoly, Inc.*, 684 F.2d at 1324,

While a trademark may, in fact, identify its owner, that it does not do so does not, in and of itself, preclude it from being a valid trademark:

One type of mark may make the customer think immediately of a particular business organization. E.g., GENERAL ELECTRIC, Du PONT, SONY, GENERAL MOTORS. Here the consumer judges quality from his knowledge of that organization's products. Another type of mark identifies a product source *without the customer necessarily thinking or caring about the business organization which is the source*. E.g., CHEER, OXYDOL, TIDE, GLEEM, CREST are all marks of products of Procter & Gamble.

However, the "identification" function of marks does not mean that the consumer must know the identity of the manufacturer or distributor of the goods. Seeing the same mark on goods merely identifies to the buyer the fact that all such goods come from a common, *even though anonymous, source* 1 J. McCarthy, *Trademarks and Unfair Competition* § 3:2 (D) (1973) (emphasis added)

Compare the Lanham Act definition with the test formulated by the Ninth Circuit. The plain meaning of the statute is not simply ignored by this test, it is turned on its ear. Not only must the identity of the manufacturer or merchant now be known from the mark itself, but that knowledge must be the primary motivating factor in making the purchase. Thus, a mark may be in jeopardy even if it actually identifies the product's producer as such should purchasers "not much care who makes it."

II. PRIOR DECISIONS

The distinction between requiring a trademark to identify and distinguish the goods and requiring it to identify the trademark owner (other than as an "anonymous source") has been clearly recognized by the courts. As stated by the Ninth Circuit itself in *Fleischmann Distilling Corp. v. Maier Brewing Company*, 314 F.2d 149, 155-56 (1963), cert. denied 374 U.S. 830 (1963):

"Of course there may not be one in a hundred buyers of this whiskey who knows that it is made by Bachanan or wholesaled by Fleischmann. Probably all that such buyers know is that Black & White Scotch whiskey has satisfied them in the past or that they have heard of it and the average purchaser would no doubt select for the use of his guests something with which he was familiar and thus purchase Black & White Whiskey

. . . .

"In Stork Restaurant v. Sahati, 9 Cir., 166 F.2d 348, 359, this court had occasion to comment upon the fact that the ordinary purchaser has only general impressions with respect to an original product or its name. He probably does not know the name of the maker who owns the trademark" (Emphasis added).

This doctrine, which has found expression in numerous decisions in other circuits,² is the antithesis of the format

² E.g., *Feathercombs, Inc. v. Solo Products Corporation*, 306 F.2d 251, 255 (2d Cir. 1962), cert. denied 371 U.S. 910 (1962), ("Although a valid trademark must serve as an indication of origin, we are not to be construed as saying that it is necessary that purchasers actually know the name of the manufacturer of the goods they purchase."); *Tas-T-Nut Company v. Variety Nut & Date Company*, 245 F.2d 3, 7 (6th Cir. 1957), ("To prove secondary meaning in a trade dress, it was not necessary to show that the public knew the personal identity of the appellant."); *Walter Baker & Co. Limited v. Slack*, 130

now prescribed by the Ninth Circuit. Inherent in the statement "I would like Parker Brothers' 'Monopoly' game primarily because I like Parker Brothers' products," which the Ninth Circuit indicates must reflect the reason why the game in question is purchased in order for MONOPOLY to be upheld as a valid trademark, is the requirement that the maker of the product be known.

III. THE REALITIES OF MODERN MARKETING

It is true that "(I) n the early development of trademark law, trademarks were thought to represent to the customer *only* the physical source or origin of the product . . . in connection with which the mark was used." 1 J. McCarthy, *Trademarks and Unfair Competition*, § 3:3 (A) (1973) (emphasis added).³

This view was the result of the then existing situation in the marketplace:

From the English Middle Ages up to the American Nineteenth Century, and even beyond, most businesses were local in nature. Consumers knew the tradesmen with whom they dealt, and they were familiar with the locations, employees and reputations of many of the manufacturers of the products they

F. 514, 518 (7th Cir. 1904), ("We may safely take it for granted that not one in a thousand knowing of or deciding to purchase 'Baker's Cocoa' or 'Baker's Chocolate' know of Walter Baker & Co., Limited"). See also *Dan Robbins & Associates, Inc. v. Questor Corporation*, 599 F.2d 1009, 1014 (C.C.P.A. 1979), ("It is enough that purchasers can rely on a mark to distinguish products emanating from different sources, and a mark need not identify a specific source.")

³ Even under that theory, the court of appeals test would be of questionable value since it is directed at determining whether the knowledge of the physical source is the motivating factor in making the purchase and not at whether the trademark indicates the source.

purchased. Indeed, there was rarely an opportunity to purchase a product made by someone other than a local artisan or manufacturer. . . . 1 J. Gilson, *Trademark Protection and Practice*, § 1.03 (1) (1974).

But the world changed, resulting in a change in the judicial view of the function and purpose of trademarks:

However, the Industrial Revolution and the Twentieth Century explosions of population, communications, transportation and technology placed the consumer at a substantial distance from the manufacturer. The consumer no longer knew about the manufacturer, which might have its offices, production facilities and employees on the other side of the world. He also became confronted by a proliferation of competing products made by these distant manufacturers. He found, however, that if he purchased a trademarked product from far away and was satisfied with its quality, he could rely on the trademark in future purchases to obtain the same level of quality. Gradually, the courts and commentators came to recognize that many consumers were indifferent to or even totally unaware of the identity of the manufacturer of the goods bearing the trademark.

Considerable momentum reflecting this attitude came in 1927 from Frank Schechter in his article "The Rational Basis of Trademark Protection." Schechter argued cogently that the "origin or ownership" rationale was obsolete because the public had come to rely on the trademark primarily as representing a satisfactory level of product quality emanating from a common, though anonymous, source. Other trademark authorities concurred generally. . . . 1 J. Gilson, *Trademark Protection and Practice*, § 1.03 (1) (1974).

The historical change to this modern view is expressed in *Family Circle, Inc. v. Family Circle Associates, Inc. et al*, 332 F.2d 534, 539 (3d Cir. 1964):

Accordingly, in the early sixteenth century, a trademark was indicative either of the origin or ownership of the goods to which it was affixed and today the problem posed is to what extent does that trademark function as to either? As a matter of fact, as has been pointed out by the very courts that define trademarks in terms of ownership or origin, that owing to the ramifications of modern trade and international distribution of goods from the manufacturer to the jobber or importer and retailer to the consumer, *the source or origin of the goods bearing a well-known trademark is seldom known to the consumer.* (Emphasis added).

The Ninth Circuit's misconception of the purpose and function of a trademark in today's market environment is clearly illustrated in its discussion of the motivation survey introduced by the petitioners, which utilized the TIDE trademark of the amicus curiae. In that survey, 68% of those who said they would buy TIDE laundry detergent, when asked whether this was primarily because they like Procter & Gamble's products or primarily because they like TIDE detergent, indicated that latter reason. The court "suspect(ed) that these results tend to show that the general public regards 'Tide' as the name of a particular detergent, having particular qualities, *rather than as one producer's brand name for the same detergent which is available from a variety of sources.*" *Anti-Monopoly, Inc. v. General Mills Fun Group, Inc.*, 684 F.2d at 1326 (emphasis added).

These are not conflicting, mutually exclusive alternatives, as the Ninth Circuit apparently believes. Rather, both describe what a trademark properly does and is supposed to do:

"In general, a trademark functions and is accorded legal protection because it:

- (a) designates the source or origin of a particular product or service, even though the source is to the consumer anonymous;
- (b) denotes a particular standard of quality which is embodied in the product or service;
- (c) identifies a product or service and distinguishes it from the products or services of others;
- (d) symbolizes the good will of its owner and motivates consumers to purchase the trademarked product or service;
- (e) represents a substantial advertising investment and is treated as a species of property; or
- (f) protects the public from confusion and deception, insures that consumers are able to purchase the products and services they want, and enables the courts to fashion a standard of acceptable business conduct." 1 J. Gilson, *Trademark Protection and Practice*, § 1.03 (1974).⁴

⁴ See also 1 J. McCarthy, *Trademarks and Unfair Competition*, § 3:1 (B) (1973).

CONCLUSION

The fact that the MONOPOLY trademark identifies a unique game which is made by only one manufacturer has led the Ninth Circuit to conclude that MONOPOLY cannot, for that reason, identify the game in question and distinguish it from games made or sold by others. But, arguably, each successful product has some sort of uniqueness in comparison with products directly competitive to it — the reason, it seems fair to speculate, why that product is purchased.

Additionally, the test formulated by the court of appeals does not remotely address the key issue: how the trademark is perceived by the public. As stated by Judge Learned Hand in *Bayer Co., Inc. v. United Drug Co.*, 272 F. 505, 509, (S.D.N.Y. 1921) ;

The single question, as I view it, in all these cases, is merely one of fact: What do the buyers understand by the word for whose use the parties are contending? . . . So here the question is whether the buyers merely understood the word "Aspirin" meant this kind of drug, or whether it meant that and more than that: i.e., that it came from the same single, though, if one please anonymous, source from which they had got it before.

The Ninth Circuit's test has the potential for causing havoc to the trademark system. Under this test, it is inconsequential whether the trademark fulfills the statutory definition, whether the trademark indicates the source, anonymous or otherwise, or whether the trademark is perceived by the public to be such and not a generic term. If the purchaser is not motivated by a fondness for the product's producer, the trademark may be lost.

For the protection of the public which relies on trademarks as an indicia of product quality as well as of the trademark owners who have expended time, effort and money in developing their brands, The Procter & Gamble Company respectfully submits that the Petition for a Writ of Certiorari to the Court of Appeals for the Ninth Circuit should be granted.

January 21, 1983

Respectfully submitted,

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JAN 24 1983

No. 82-1075

IN THE
Supreme Court of the United States

October Term, 1982

**CPG PRODUCTS CORP. AND GENERAL MILLS
FUN GROUP, INC.,**

Petitioner,

v.

ANTI-MONOPOLY, INC.,

Respondent.

**MOTION FOR LEAVE TO FILE BRIEF AMICUS
CURIAE AND BRIEF OF AMICUS CURIAE THE TOY
MANUFACTURERS OF AMERICA, INC., IN SUPPORT
OF A PETITION FOR WRIT OF CERTIORARI**

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No. 82-1075

IN THE

Supreme Court of the United States

October Term, 1982

CPG PRODUCTS CORP. AND GENERAL MILLS
FUN GROUP, INC.,

Petitioner,

v.

ANTI-MONOPOLY, INC.,

Respondent.

**MOTION FOR LEAVE TO FILE
BRIEF *AMICUS CURIAE***

The Toy Manufacturers of America, Inc. hereby respectfully moves for leave to file the attached brief *Amicus Curiae* in this case. The consent of the attorneys for petitioner has been obtained. The consent of the attorneys for respondent was requested but refused.

The interest of the Toy Manufacturers of America, Inc. in this case arises from its role as a trade association representing numerous manufacturers and marketers of toy products under various federally-registered trademarks.

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I.**Questions Presented**

I. Whether the Court of Appeals for the Ninth Circuit erred in concluding that a valid trademark, "MONOPOLY", denoting a unique type of real estate board game manufactured, promoted and protected by a single producing company (Parker Brothers), became generic.

II. Whether Rule 52(a) of the Federal Rules of Civil Procedure prohibits a Court of Appeals from substituting its findings declaring a trademark invalid as "generic" for the contrary factual findings of a District Court in view of the District Court's unique position as a trier of fact to evaluate the weight and credibility of opinion survey evidence and expert testimony.

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CPG PRODUCTS CORP. AND GENERAL MILLS
FUN GROUP, INC.,

Petitioner,

v.

ANTI-MONOPOLY, INC.,

Respondent.

**BRIEF OF *AMICUS CURIAE*,
THE TOY MANUFACTURERS OF AMERICA, INC.,
IN SUPPORT OF A PETITION FOR WRIT OF
CERTIORARI TO THE UNITED STATES COURT
OF APPEALS FOR THE NINTH CIRCUIT**

Interest of the *Amicus Curiae*

The Toy Manufacturers of America, Inc. is a trade association of toy manufacturers (including the petitioner) many of whom hold widely recognized trademarks on toys and games, as well as other consumer products.

REASONS FOR GRANTING THE WRIT

I.

Introduction

The primary issue before this Court involves the holding of the Ninth Circuit Court of Appeals, based on a single controverted survey, that the "MONOPOLY" trademark became "generic" in contemporary usage over a period of time because consumers primarily purchase the game "MONOPOLY" to obtain the product itself and only secondarily because it denotes the producer, Parker Brothers.

The Court of Appeals' holding should not go unreviewed by this Court. In the absence of this Court's review, the Court of Appeals' judgment will establish a precedent which could lead to the catastrophic loss of trademark protection for countless merchandisers, including petitioner's members, on a national level.

By overruling the considered judgment of a District Judge who had weighed the proof presented to him, including expert testimony, the Court of Appeals exceeded the bounds set by Rule 52 (a) of the Federal Rules of Civil Procedure. While acknowledging the "clearly erroneous" standard and this Court's very recent pronouncements on the limited role of appellate courts in reviewing factual inferences and determinations made by district judges, the Court of Appeals actually exceeded its powers by substituting its own factual findings for those of the District Court.

II.

The Ninth Circuit Court of Appeals' Establishment of an Erroneous Test for Genericness Unreasonably Alters Existing Trademark Law and Threatens the Existence of Most Valid Trademarks in the United States.

The Court of Appeals' rationale virtually assures that a single motivation survey can be utilized in the defense of any trademark case to establish the generic invalidity of a trademark. Ignoring the many faceted functions of trademarks, the Court of Appeals rests its decision entirely on the results of a single controverted public opinion survey in which the majority of those surveyed indicated their preference for a unique real estate board game made by a single producer and only secondarily indicated their preference for the producer of the game.

The Court's rationale suggests, in contravention of the overwhelming product-denoting significance of existing trademarks, that a trademark's principal significance must only be found in primary public identification of the producer.

The Court of Appeals erroneously based its determination that "MONOPOLY" became an invalid trademark denoting a "generic" name upon an arbitrary and unreasoned review of survey evidence and expert testimony accepted by the District Court.

Little weight, if any, was given by the Court to the Parker Brothers brand name "Teflon" survey, which was a product-source significance survey on genericness for which there is a court approved model reported in *E.I. DuPont de Nemours & Co. v. Yoshida International, Inc.*, 393 F.Supp. 502 (E.D.N.Y. 1975).

Respondents to the survey who identified "MONOPOLY" as a product of one manufacturer were asked whether they could identify the manufacturer. 63% of the respondents identified "MONOPOLY" as a brand name, 56% as a product made by one manufacturer, and 55% identified Parker Brothers as the source of the product. The survey results demonstrate that the primary significance of "MONOPOLY" is that it is perceived as a *brand name* which primarily denotes a games producer. The Court of Appeals erroneously and arbitrarily viewed the survey as "having no relevance to the case." 684 F.2d 1323. Instead, the Court chose to ignore the source-denoting function of the survey despite the fact that Parker Brothers' diligent promotion and policing of its mark resulted in 63% of the respondents identifying "MONOPOLY" as a brand name and 55% of the respondents identifying Parker Brothers as the source of the brand.

Conversely, the Court chose to give extraordinary credence to the Anti-Monopoly surveys. In spite of the fact that the Appellate Court conceded the flaws inherent in the Anti-Monopoly "Thermos" type survey, which asked respondents if they were familiar with a real estate trading board game, the court erroneously accepted as conclusive the survey result that 80% of those respondents familiar with real estate board games would tell the salesclerk they wanted "MONOPOLY". The Court of Appeals passed over the deficiencies in the survey and stated:

In one of its briefs, General Mills points out that the survey used in the 'Thermos' case was described as 'generically corroborative of the court's conclusions drawn from other evidence,' and that the district court which decided the 'Teflon' case found a 'Thermos'-like survey defective because 'the design of the questions

more often than not [focused] on supplying the inquirer a 'name,' without regard to whether the principal significance of the name supplied was its indication of the nature or class of an article, rather than an indication of its origin, '*King-Seeley Thermos Co.*, supra, 321 F.2d at 580.' *E.I. Du Pont de Nemours & Co.*, supra, 393 F.Supp. at 527. Be that as it may, we think that the results of this survey are compelling evidence of a proposition that is also dictated by common sense; an overwhelming proportion of those who are familiar with the game would ask for it by the name MONOPOLY. 684 F.2d 1323-24.

In giving special weight to the "Motivation" survey conducted by Anti-Monopoly, the Circuit Court noted that the survey was a reasonable effort to determine the sense in which the purchaser used the word "MONOPOLY" when asking for the game by that name. 92% of those surveyed were aware of "MONOPOLY"; 65% chose the game primarily because of their interest in playing it; and 32% chose "MONOPOLY" because they liked Parker Brothers' products. The Court incorrectly held that deficiencies in the survey were not plausible and dismissed as inconsequential the fact that the survey was created by Prof. Anspach and was based upon a lay interpretation of the Appellate Court's opinion; that the survey was overwhelmingly prone to error of subjective grading by Anti-Monopoly; and that the survey evidences an inherent bias in the language chosen. 684 F. 2d at 1325.

Departing from the principle that trademarks serve a number of desirable and lawful functions, the Court of Appeals, in relying on the Anti-Monopoly surveys, ignores the fact that most consumers choose a particular product

because they want or need that product.¹ The Court makes the continued viability of valid trademarks dependent upon a single function—whether, according to survey, the public majority can identify and purchase a product primarily because it is made by a certain producer. If such identification cannot be made, the Court of Appeals would invalidate valid trademarks as having become the common descriptive name of the product (generic) rather than identifying its source.

The novel doctrine applied by the Court totally ignores the realities of a trademark's effect on the marketplace. The District Court correctly recognized these realities:

One fact which this court need not ignore is that most consumers, indeed an overwhelming proportion thereof, purchase any given product not out of goodwill or affection for the producer, but because they want or favor the product. Only a shareholder of the General Mills Fun Group (Parker Brothers' parent) could reasonably be expected to purchase a Parker Brothers game out of an affection or goodwill for the corporation. Moreover, the 'primary significance' of a trademark corresponds more to the recognition of a mark as the brand name of a particular producer than it does to a reason for purchasing. Consumers purchase games because they wish to play the games they seek, yet this fact alone should not serve to invalidate an otherwise legitimate trademark. The makers of MONOPOLY should not be penalized simply because they

¹ See, e.g., 3R. Callman, *The Law of Unfair Competition, Trademarks and Monopolies*, §65 (3d ed. 1969) ("[t]he trademark may serve in several capacities, each unique unto itself"); Backman, *The Role of Trademarks in Our Competitive Economy*, 58 *Trademark Rep.* 219 (1968); Link, *The Social Significance of Trademarks*, 38 *Trademark Rep.* 622 (1948).

have created a unique product which they have actively and diligently promoted . . .

In a single producer case (there is not another producer of MONOPOLY) it will not suffice to analyze source-related as opposed to source-irrelevant characteristics because most source-related characteristics (e.g., price, style, durability, quality, etc.) are purely relative terms, implying a comparison with product substitutes, or near substitutes. Here there are no substitutes; there is only MONOPOLY. Accordingly, the Ninth Circuit's mandate that this court divine the 'primary significance' of that term in the consumer's mind must necessarily involve subtle inferences into the complex, convoluted mind of the American consumer—an unenviable task.

Yet, the cumulative weight of the evidence does satisfy this court that the primary significance of MONOPOLY in the public's eye is to denote a 'Parker Brothers' Game' (i.e., source) in contradistinction to that 'popular game of MONOPOLY' (product). Parker Brothers has expended substantial time, energy, and money in promoting and policing their trademark, expending over \$4 million in advertising expenditures. One result of the diligent efforts has been the extraordinary success Parker Brothers has achieved in creating public source awareness. Hence, source attribution is a dominant perceived effect of the MONOPOLY trademark. This court cannot say from the facts before it that it is not the 'primary significance' of the mark. Unless the Ninth Circuit standard is meant to foreclose the possibility of trademark protection for any producer of a unique game whose corporate name does not appear in the title of the game (e.g., 'SCRABBLE,' 'TOWER OF BABLE'), then its test cannot be

used here to thwart MONOPOLY's trademark rights.
515 F.Supp. 454-55.

III.

The Ninth Circuit Court of Appeals' Decision Misapplies the Precedents of This Court and Is at Odds With the Statutory Definition of a Trademark and the Decisions of All Other Circuits.

The Ninth Circuit Court's decision incorrectly distorts the definitive boundaries of trademark protection. The Lanham Act itself defies the court's rationale and defines "trademark" as "any word, name, symbol or device or any combination thereof adopted and used by a manufacturer or merchant to identify his goods and distinguish them from those manufactured or sold by others." 15 U.S.C. § 1127.

Contrary to the Court's limited application of trademark protection to words or names exclusively denoting source under a "motivation" survey, numerous courts have recognized the importance of trademarks, as defined by the Lanham Act, in the competitive marketplace. In *Mishawaka Mfg. Co. v. S.S. Kresge Co.*, 316 U.S. 203 (1942) this court clearly established the rationale that the very function of a trademark is to denote the product to which it is affixed.

The protection of trademarks is the law's recognition of the psychological function of symbols. If it is true that we live by symbols, it is no less true that we purchase goods by them. A trademark is a merchandising short-cut which induces a purchaser to select what he wants, or what he has been led to believe he wants. The owner of a mark exploits this human pro-

pensity by making every effort to impregnate the atmosphere of the market with the drawing power of a congenial symbol. Whatever the means employed, the aim is the same—to convey through the mark, in the minds of potential customers, the desirability of the commodity upon which it appears. Once this is attained, the trade-mark owner has something of value. If another poaches upon the commercial magnetism of the symbol he has created, the owner can obtain legal redress. 316 U.S. 205.

In *Coca-Cola Co. v. Koke Co.*, 254 U.S. 143 (1920) the Court in upholding the validity of the Coca-Cola mark stated:

The name now characterizes a beverage to be had at almost any soda fountain. It means a single thing coming from a single source and well known to the community. . . . [W]e see no reason to doubt that . . . it has acquired a secondary meaning *in which, perhaps, the product is more emphasized than the producer*, but to which the producer is entitled. 254 U.S. 146 (Emphasis Supplied).

In *Family Circle, Inc. v. Family Circle Associates, Inc.*, 332 F.2d 534 (3 Cir. 1964), the court recognized that with the advent of modern marketing techniques the purchasing public is even less aware of the identity of the producer of a particular trademarked product which it desires. "[O]wing to the ramifications of modern trade and international distribution of goods from the manufacturer to the jobber or importer and retailer to the consumer, the source or origin of the goods bearing a well-known trademark is seldom known to the consumer." 332 F.2d 539.

Furthermore, the Ninth Circuit decision misapplies the cited "ASPIRIN", "CELLOPHANE," and "THERMOS"

cases to this situation where a diligently policed trademark "MONOPOLY" functions by identifying both a unique product and the source of that product.²

The Ninth Circuit's singular error lay in its conclusion that, contrary to the effect of trademarks in today's marketplace, a trademark cannot identify the product as well as the producer.

IV.

The Ninth Circuit Has Exceeded Its Authority as an Appellate Court Under the Federal Rules of Civil Procedure.

The Court of Appeals erroneously overruled findings of the District Court. The District Court, 515 F.Supp. at 455, upon all the evidence, made a *factual finding* that "MONOPOLY" is and was at registration a valid source-denoting trademark entitled to all the protection the law affords. The District Court, 515 F.Supp. at 454, held that "the cumulative weight of the evidence does satisfy the court that the primary significance of 'MONOPOLY' in the public's mind is to denote Parker Brothers' Game (i.e., source) in contradistinction to that 'popular game' of Monopoly (product)." In support of its findings of fact that source attribution is a dominant perceived effect of the

² *Bayer Co. v. United Drug Co.*, 272 F. 505 (S.D.N.Y. 1921); *DuPont Cellophane Co. v. Waxed Products Co.*, 85 F.2d 75 (2d Cir.), *cert denied*, 299 U.S. 601 (1936); *King-Seeley Thermos Co. v. Aladin Industries, Inc.*, 321 F.2d 577 (2d Cir. 1963), all of which held well known trademarks to be generic where substantially the same products were manufactured by many different competitors and the owners of the trademarks had not adequately policed use of the names to preserve their non-generic quality and had used them in a generic manner in promotional and other literature in order to increase their popularity.

"MONOPOLY" trademark, the court noted expenditures by Parker Brothers of "substantial time, energy and money in promoting and policing their trademark," the extraordinary success Parker Brothers achieved in creating public source awareness ("Over 55% of the American public clearly identified Parker Brothers as the producer of the game") and the impressive display of the amount of goodwill which Parker Brothers has imbued through its various games—especially "MONOPOLY." 515 F.Supp. at 454-455.

The Court found further evidence of "MONOPOLY" as a source-identifying mark in the surveys submitted on remand and the testimony of 16 witnesses at the trial regarding public perception of "MONOPOLY" as a valid mark, as well as the confusion as to source in the public's mind brought about by the marketing of Anti-Monopoly. 515 F.Supp. at 448.

It was found that the majority of the American public understands that "MONOPOLY", when used with games or game equipment, indicates the source of the goods. The public's understanding is that there is a particular game called "MONOPOLY" produced by a single manufacturer (Parker Brothers) and that such a game is a "species" of the larger generic term "real estate trading game equipment".

In spite of these District Court findings of fact and its determination that "MONOPOLY" is a valid mark, the Court of Appeals erroneously invalidated the District Court's findings in a decision contrary to Rule 52(a) of the Federal Rules of Civil Procedure. It thus warrants review by this Court.

Rule 52(a) of the Federal Rules of Civil Procedure provides that in cases tried without a jury, the trial court's finding of fact cannot be set aside unless clearly erroneous.

This has been interpreted to mean that the trial judge's finding of fact cannot be set aside unless, "although there is evidence to support it, the reviewing court on the entire evidence is left with the definite and firm conviction that a mistake has been committed." *United States v. United States Gypsum Co.*, 33 U.S. 384, 395 (1948).

Although the Court of Appeals correctly agreed with the trial court's finding that "MONOPOLY" was a valid trademark at registration,

we are faced with the following legal question: if a game is known about by a small number of people and they all call it by a particular term, may one member of the group appropriate that name by registering it as a trademark . . . We have concluded that the evidence, construed most favorably to Anti-Monopoly, does not show that 'Monopoly' had become generic before Parker Brothers registered it as its trademark. . . . When a small number of people use a particular thing and call it by a particular name, one which is not a common descriptive term for the thing, a person may appropriate the name and register it as a trademark. 684 F.2d at 1321.

it erred in overruling the District Court's finding by holding that since its registration "MONOPOLY" had become a "generic" term.

The District Court finding of fact that "MONOPOLY" is a valid trademark cannot be set aside by the Court of Appeals' bald and unsupported statements that the Trial Court's finding of fact was clearly erroneous.

The reasoning of the Court of Appeals is tenuous at best. The Court dismisses out-of-hand or ignores the extensive findings of the District Court herein mentioned with propo-

sitions that are both inappropriately applied and vague. In considering whether the findings of the District Court were "clearly erroneous," the Appellate Court reasoned:

We have in mind an obvious proposition. The word 'Monopoly,' while not in its ordinary meaning descriptive of the game 'Monopoly', is an ordinary English word, and it does describe the objective of the game. This was recognized in the rules of the game published by Parker Brothers in 1935. They begin with:

BRIEF IDEA OF THE GAME

THE IDEA OF THE GAME is to BUY and RENT or SELL properties so profitably that one becomes the wealthiest player and an eventual **MONOPOLIST**.

A Monopolist has a monopoly. By choosing the word as a trademark, Parker Brothers has subjected itself to a considerable risk that the word would become so identified with the game as to be 'generic'. 684 F.2d at 1322.

The Appellate Court admits that General Mills and its predecessor spent time, energy and money promoting and policing the use of the term "MONOPOLY", that over 55% of the public has come to associate the product and the name "MONOPOLY" with Parker Brothers, and that one-third of the public who purchased the game did so because they liked Parker Brothers' products. Yet the Court incorrectly reasons that these facts do not show that "MONOPOLY" is a valid mark. Instead, the Court erroneously relies on vague reasoning that all Parker Brothers and General Mills got for their money and efforts was a generic term.

To us, the evidence overwhelmingly shows that they very successfully promoted the game Monopoly, but

that in doing it they so successfully promoted 'Monopoly' as 'the name of the game' that it became generic in the sense in which we use that in trademark law. We recognize that 'there is evidence to support' the trial court's findings, 33 U.S. at 395, but 'on the entire evidence [we] are left with the definite and firm conviction that a mistake has been committed.' 684 F.2d at 1323.

To allow the Court of Appeals' reasoning to obliterate "MONOPOLY" as a valid trademark based upon a single "motivation" survey would open the floodgates of litigation and set a precedent for the chaotic and widespread misapplication of trademark laws.

CONCLUSION

In view of the foregoing and for the protection of both trademark owners and the public, the Toy Manufacturers of America, Inc. respectfully submits the petition for a Writ of Certiorari to the Court of Appeals for the Ninth Circuit should be granted.

Dated: January 22, 1983

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ON A PETITION FOR A WRIT OF CERTIORARI TO THE
UNITED STATES COURT OF APPEALS FOR THE NINTH CIRCUIT

**MOTION FOR LEAVE TO FILE BRIEF *AMICUS CURIAE*
AND BRIEF *AMICUS CURIAE* OF THE
UNITED STATES TRADEMARK ASSOCIATION**

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No. 82-1075

IN THE

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Respondent.

MOTION FOR LEAVE TO FILE BRIEF *AMICUS CURIAE*

The United States Trademark Association (hereinafter referred to as USTA or the Association) respectfully moves the Court, pursuant to Rule 36 of the Rules of the United States Supreme Court, for permission to file the attached brief *amicus curiae* in support of the Petition for Writ of Certiorari to the United States Court of Appeals for the Ninth Circuit. The attorney for the petitioner has consented to the filing of this brief. The attorney for the respondent refused his consent. The grounds for this Motion, which also disclose the interest of the Association as *amicus* are set forth below.

USTA is a not-for-profit corporation composed of members having a special interest in trademarks. The organization currently has over 1,500 members, some 500 of which are trademark owners or affiliates of trademark owners.¹

¹ General Mills, Inc., the parent of the petitioner, is a member of USTA and a representative of that company is a member of the USTA Board of Directors. However, that representative was

Other members include lawyers, advertising agencies and other organizations knowledgeable about trademarks and with an interest in their protection.

USTA serves both its members and the interests of consumers and other members of the public by disseminating information about trademarks; by publishing books and articles about their function, protection and proper use; by conducting seminars and other programs to educate participants about developments in the field; by maintaining a library of trademark information; and by making speakers or instructors available to civic organizations and other groups requesting information about trademarks.

The Association was founded in 1878, in part to obtain enactment of federal trademark legislation after this country's first Trademark Act was declared unconstitutional. Since that time, it has been instrumental in making recommendations and providing assistance in connection with each subsequent federal Trademark Act, or amendment thereof, including the current statute, enacted in 1946, 15 U.S.C. §1051 et seq. In addition, when appointing members to the Public Advisory Committee for Trademark Affairs, which was created by Charter of the Secretary of Commerce in 1970, the Secretary has solicited the recommendations of the Association.

The membership of USTA represents a very significant and important segment of the United States business community. More important, insofar as the matter before this Court is concerned, it has substantial expertise in the trademark field. It has, in the past, participated as *amicus*

excused from all deliberations of the Board relating to this case, including the Board's decision to file a brief. An attorney in the law firm representing the petitioner is a member of the Brief *Amicus Curiae* Committee of USTA, but was excused from all deliberations thereof relating to this case, including the preparation and review of the brief.

curiae in four cases which involved trademark issues of significance not only for trademark owners, but also for the general public.² We believe that this is also such a case.

USTA, as *amicus*, will take no position on the question of whether MONOPOLY presently functions as a trademark. The significance of this case for the law of trademarks transcends that limited issue.

The test applied by the Ninth Circuit, in holding that the MONOPOLY trademark has become a generic term, radically departed from legal principles established by this Court and applied in a substantial, and until now uniform, body of case law in other Circuits. The decision will substantially and adversely affect all trademark owners.

WHEREFORE, the United States Trademark Association respectfully moves for permission to file a brief *amicus curiae* in support of the Petition for a Writ of Certiorari herein.

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² USTA has filed briefs in *Andrew J. McPartland, Inc. v. Montgomery Ward & Co., Inc.*, 164 F.2d 603 (C.C.P.A. 1947), cert. denied, 333 U.S. 875 (1948); *In re Borden, Inc.*, 92 F.T.C. 669 (1978), aff'd *Borden, Inc. v. Federal Trade Commission*, 674 F.2d 498 (6 Cir. 1982) (appeal pending); *Century 21 Real Estate Corp. v. Nevada Real Estate Advisory Commission*, 448 F.Supp. 1237 (D.Nev. 1978), aff'd 440 U.S. 941 (1979); and *Redd v. Shell Oil Co.*, 524 F.2d 1054 (10 Cir. 1975), cert. denied, 425 U.S. 912 (1976).

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No. 82-1075

IN THE

Supreme Court of the United States

October Term, 1982

CPG PRODUCTS CORP.,

Petitioner,

v.

ANTI-MONOPOLY, INC.,

Respondent.

**BRIEF OF AMICUS CURIAE THE UNITED STATES
TRADEMARK ASSOCIATION IN SUPPORT OF
A PETITION FOR WRIT OF CERTIORARI**

Statement of Interest of the Association

USTA is a not-for-profit corporation whose members are owners of trademarks and others knowledgeable about trademarks and with an interest in their protection. The history of the Association and a description of its activities in the trademark field are set forth in the Motion for Leave to File Brief *Amicus Curiae* submitted herewith.

The decision of the Ninth Circuit, holding that MONOPOLY has become a generic term, is based on a fundamental misconception as to the function of a trademark, and is inconsistent with decisions of this Court and of other Courts of Appeals.

Because, by definition, trademarks identify goods whose source is a single manufacturer or merchant, and distin-

guish them from goods from some other source, they play a significant role in our economy and further the interests of the public. In the legislative history of the federal Trademark Act, the importance of their role was emphasized (House Report No. 944 on H.R. 6618, 76th Cong., 1st Sess. (1939)):

"Trade-marks, indeed, are the essence of competition, because they make possible a choice between competing articles by enabling the buyer to distinguish one from the other. Trade-marks encourage the maintenance of quality by securing to the producer the benefit of the good reputation which excellence creates. To protect trade-marks, therefore, is to protect the public from deceit, to foster fair competition, and to secure to the business community the advantages of reputation and goodwill by preventing their diversion from those who have created them to those who have not. This is the end to which this bill is directed."

We all rely on brand names or trademarks every day—in the grocery, the drugstore and indeed whenever we make a purchase—as the means to select again those products we have previously found acceptable and to reject those we have learned are unacceptable. As Justice Frankfurter noted in *Mishawaka Mfg. Co. v. S.S. Kresge Co.*, 316 U.S. 203, 205 (1942):

"The protection of trade-marks is the law's recognition of the psychological function of symbols. If it is true that we live by symbols, it is not less true that we purchase goods by them. A trade-mark is a merchandising short-cut which induces a purchaser to select what he wants, or what he has been led to believe he wants."

Denying protection to trademarks interferes with the public's ability to make an informed choice and diminishes the impetus for manufacturers to maintain high quality standards for their products. See, e.g., Levitt, "Branding on Trial," *Harvard Business Review*, pp. 20-39 (April 1966).

As we have stated, the significance of the case goes far beyond the issue of whether MONOPOLY is a trademark. USTA is convinced that the test applied by the Ninth Circuit was wrong and that the decision stands as a threat to the validity of many important and widely used trademarks.

The case has received widespread publicity, and has already caused concern among scholars and trademark owners generally. See, e.g., Lewin, "Business and the Law," *The New York Times* (October 5, 1982); "Trademark Ruling Sends a Big Scare," *The Atlanta Constitution* (September 3, 1982). Seminars are being offered, such as one by the American Management Association, the notice of which is prefaced by this warning:

"The landmark decision of the United States Court of Appeals for the Ninth Circuit should be of concern to everyone who markets a consumer product—and the attorney who represent them. . . . The reach of this decision could have an unprecedented impact—not only on board games, but on any product used and accepted by the public."

USTA also believes that the decision will have a great impact on and represents a significant threat to the entire trademark system.

Summary of Argument

The Court of Appeals for the Ninth Circuit correctly repeated the legal standard first enunciated by this Court in *Kellogg Company v. National Biscuit Company*, 305 U.S. 111, 116 (1938), namely, that a word used as a trademark is not generic if the "primary significance of the term in the minds of the consuming public is not the product but the producer." The Ninth Circuit erred, however, in then failing to follow that standard. The Ninth Circuit held instead that the validity of the term at issue should be tested not on the basis of its primary significance to the public but solely on the basis of the Circuit Court's interpretation of reasons given by some members of the public as to why they had bought or would buy the product sold under that term. Application of such a test could jeopardize the validity of a significant number of important and valuable trademarks. Because of the serious adverse impact which the decision may have, this Court should grant certiorari to correct the error of the Ninth Circuit.

ARGUMENT

I. Trademark Validity Does Not Depend Upon Purchaser Motivation in Buying a Product.

Both before and after the enactment of the Trademark Act of 1946, cases have presented claims that once-valid trademarks have become common descriptive names or generic terms.³ In the first and most significant of these cases, in which "aspirin" was held to be generic, Judge Learned Hand formulated as the test: "What do buyers understand by the word for which the parties are contending?" *Bayer Co., Inc. v. United Drug Co.*, 272 Fed. 505, 509 (S.D.N.Y. 1921). In 1938, this Court held that "shredded wheat" was generic because its primary significance in the minds of the consuming public was the product and not the producer, *Kellogg Company v. National Biscuit Company*, *supra*, p. 4.

Cases, such as the instant case, in which a once-valid trademark has been held to have become generic are few in number but nonetheless significant. They include the "aspirin" case referred to above,⁴ and, in the Courts of Appeals, cases involving "cellophane," "cola," "thermos" and "yo-yo."⁵ These decisions and others may differ on

³ The Trademark Act of 1946, Lanham Act, 15 U.S.C. §§1051 *et seq.*, does not use and contains no definition of the term "generic." However, Section 14(c) [15 U.S.C. §1064(c)] provides that a trademark registration may be cancelled if it has become the common descriptive name of an article or substance.

⁴ *Bayer Co., Inc. v. United Drug Co.*, *supra*, p. 5.

⁵ *DuPont Cellophane Co. v. Waxed Products Co., Inc.*, 85 F.2d 75 (2 Cir. 1936); *Dixie-Cola Laboratories, Inc. v. Coca-Cola Co.*, 117 F.2d 352 (4 Cir. 1941); *King-Seeley Thermos Co. v. Aladdin Industries, Inc.*, 321 F.2d 577 (2 Cir. 1963); *Donald F. Duncan, Inc. v. Royal Tops Manufacturing Co., Inc.*, 343 F.2d 655 (7 Cir. 1965).

questions such as burden of proof⁶ but no case until now has ever found that a once-valid trademark has become generic on any basis other than an assessment of its significance or meaning. In all, the decision was made based on assessment of the significance to the public of the term in question.

In the case now under consideration, however, the Ninth Circuit has in effect held that it is unnecessary to ascertain the meaning of MONOPOLY to the consuming public. Instead, it held that genericness could be determined solely on the basis of why the public said it bought or would buy a MONOPOLY game in response to a survey, called "The Motivation Survey," conducted by Anti-Monopoly.

It is not clear why the Ninth Circuit departed from a consistent line of authority followed by this Court and other Courts of Appeals for more than sixty years. One reason, however, appears to be its failure to recognize that a trademark identifies source not only when the consumer knows the name of the source, but also when the consumer uses or relies on the mark to purchase goods of a familiar, although anonymous, source. Another reason appears to be the Court's failure to recognize that many trademarks serve as identifiers of quality as well as source, a fact which that same court articulated in *Siegel v. Chicken Delight, Inc.*, 448 F.2d 43, 48 (9th Cir. 1971), cert. denied,

⁶ The issue of burden of proof as to the primary significance of the term may depend in part on whether the term was initially arbitrary, e.g., "aspirin," in which case the burden may be upon the party asserting genericness. On the other hand, if the term was initially descriptive, e.g., "shredded wheat," the burden may be upon the party asserting trademark rights. See, *inter alia*, Melton, "Generic Term or Trademark? Confusing Legal Standards and Inadequate Protection," 29 American Univ. Law Review, pp. 109-133 (Fall 1979).

405 U.S. 955 (1971).⁷ Justice Frankfurter addressed the same issue in *Mishawaka Mfg. Co. v. Kresge Co.*, *supra*, p. 2:

"Whatever the means employed, the aim is the same—to convey through the mark, in the minds of potential customers, the desirability of the commodity upon which it appears. Once this is attained, the trade-mark owner has something of value." (p. 205)

In "The Motivation Survey," as described by the Ninth Circuit (Pet. Appendix 13a-18a), respondents "aware of 'Monopoly,' the business board game produced by Parker Brothers," (who had either purchased the game within the last couple of years or intended to purchase it in the near future) were asked whether their feelings were best expressed by the statement: "I want a 'Monopoly' game primarily because I am interested in playing 'Monopoly,' I don't care who makes it;" or by the statement: "I would like a Parker Brothers 'Monopoly' game primarily because I like Parker Brothers' products."

Whatever relevance "The Motivation Survey" might have as to why someone did purchase or would purchase a MONOPOLY game, it has no relevance to the real issue, namely, what is the primary significance of the term MONOPOLY to the consuming public. A person who has stated that he purchases primarily because he is interested in playing the MONOPOLY game might nevertheless also believe that MONOPOLY identified the source

⁷ "The historical conception of a trademark as a strict emblem of source of the product to which it attaches has largely been abandoned. The burgeoning business of franchising has made trade-mark licensing a widespread commercial practice and has resulted in the development of a new rationale for trade-marks as representations of product quality."

of the game;³ a person who purchases a Parker Brothers' MONOPOLY game primarily because he likes Parker Brothers' products might on the other hand nevertheless believe that MONOPOLY is merely the generic name of a game, like chess or checkers.

Purchaser motivation has no apparent relevance to the question of whether or not a trademark has become generic, and *amicus* is not aware of any prior decision which has considered purchaser motivation in determining the issue of genericness. As Judge Helen Nies of the Court of Customs and Patent Appeals (now the Court of Appeals for the Federal Circuit) stated on September 30, 1982 in a concurring opinion in *In re DC Comics, Inc.*, 689 F.2d 1042 (C.C.P.A. 1982), such consideration of purchaser motivation is "an esoteric and extraneous inquiry."

The Ninth Circuit's "esoteric and extraneous inquiry" presents a critical problem for the trademark law, trademark owners and the public, and the problem is likely to increase in view of the growing number of trademark cases in which surveys are being used. There is danger that courts will accept without question the validity of survey methodology approved by another court. For example, in the instant case, General Mills offered in evidence and the District Court accepted a survey method first used and approved in the "Teflon" case, *E. I. duPont de Nemours & Co. v. Yoshida International, Inc.*, 393 F. Supp. 502 (E.D.N.Y. 1975), and accepted by a number of Courts since.

³ A person whose sole motivation is to play the MONOPOLY game would likely desire that such a game come from the same source as the MONOPOLY game with which he was already familiar, a desire that would be frustrated were MONOPOLY to be declared generic.

II. The Primary Significance of Product Marks Such as "Monopoly" Can Only Be Determined by Ascertaining Their Meaning to the Public.

Under the Lanham Act, 15 USC §1127, and at common law, a trademark is a word, name, symbol or device adopted and used by a manufacturer or merchant to identify its goods and to distinguish them from those manufactured or sold by others. Some trademarks are applied to a variety of products (e.g., SEARS, GM, etc.), and thus have only source connotations. Other trademarks, used by the same companies, like DIEHARD, CORVETTE, etc., are used only on a single product, and such marks necessarily have product, as well as source, connotations. MONOPOLY falls within the latter category of trademark.

In *In re DC Comics, Inc.*, *supra*, p. 8, Judge Nies discussed marks such as MONOPOLY as follows (689 F.2d at p. 1054):

"The principle that a trademark must indicate 'source' and not 'goods' does not condemn single product word marks or designs. A word, name, symbol or device indicates 'source' within the meaning of the truism if it indicates *goods of one producer* to the public, and it indicates 'goods' if the public does not identify the asserted mark with goods from a particular source.

. . .

Once it is understood that a trademark is functioning to indicate 'source' when it identifies *goods* of a *particular* source, the truism then reflects the above-stated objectives of trademark law and the way trademarks actually function in the marketplace. The reason the public is motivated to buy the product, whether because of quality, particular features, source, pleas-

ing design, association with other goods, price, durability, taste, or prestige of ownership, is of concern to market researchers but is legally immaterial to the issue of whether a particular designation is generic.

• • •

Similarly, that purchasers call for a particular product by the name given it by its producer or source does not negate its function as a mark. Such a given name is a proper name, like the name of an individual, not a generic name, so long as the public uses it to identify a product of a single source. It is the normal way the public uses a mark which is applied by a manufacturer or a merchant to a particular product, and, as indicated, trademark concepts do not require the condemnation of normal commercial language. Trademark law merely condemns the use of that language in a way which deprives purchasers of their expectations and deprives businesses of the goodwill which they have built up by providing satisfactory goods and services. For the same reason, that a trademark is well known does not make it a 'common' descriptive name. 'Common,' like 'generic,' states a conclusion that the claimed mark is, or has become, part of the vernacular, that it is indefinite, and does not function as a proper name of a particular producer's goods." (Emphasis in original)

Marks used on a variety of products may have no product connotations and would thus necessarily "pass" the Ninth Circuit "Motivation Survey." On the other hand, a trademark used on a single product, which has or is perceived to have particular characteristics, necessarily conveys product as well as source connotations, and such marks would likely "fail" "The Motivation Survey."

Perhaps the best example of the fallacy in relying on a "Motivation Survey" is shown by the counter-survey done by the petitioner in the instant case in which the questions from that survey were posed in connection with TIDE, the well-known trademark used by Procter & Gamble Company on its detergent. Not surprisingly, only a small percentage of the respondents said they bought or would buy TIDE primarily because they liked Procter & Gamble products (as contrasted to 32% for MONOPOLY) whereas 68% said they bought or would buy TIDE primarily because they liked TIDE detergent (as contrasted to 65% for MONOPOLY).

The fact that the Ninth Circuit referred to this counter-survey as questioning the validity of the TIDE trademark illustrates the error and danger in the motivation test applied by the Court and underlies the importance of this case to all trademark owners and to the purchasing public.

CONCLUSION

For the foregoing reasons, The United States Trademark Association submits that the decision of the Ninth Circuit raises a serious and substantial issue of importance to the purchasing public and to trademark owners in the United States, and respectfully submits that the petition for a Writ of Certiorari should be granted.

Respectfully submitted,

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IN THE
SUPREME COURT OF THE UNITED STATES

October Term, 1982

No. 82-1075

CPG PRODUCTS CORP.,

Petitioner,

v.

ANTI-MONOPOLY, INC.,

Respondent.

Certificate of Service

I hereby certify that on this day of January, 1983 three copies of the within Motion for Leave to File Brief *Amicus Curiae* and Brief *Amicus Curiae* of the United States Trademark Association were served by first class mail postpaid on each of the following: Nathan Lewin and David O. Stewart, Miller, Cassidy, Larroca, Lewin, 2555 M Street, N.W., Suite 500, Washington, D.C. 20037, Attorneys for Petitioner; and Carl E. Person, 132 Nassau Street, New York, New York 10038, Attorney for Respondent. I further certify that all parties required to be served have been served.

/s/ MARIE V. DRISCOLL

Marie V. Driscoll

No. 82-1075

Office-Supreme Court, U.S.
FILED

OCT 31 1983

ALEXANDER L. STEVENS
CLERK

IN THE
SUPREME COURT OF THE UNITED STATES
OCTOBER TERM, 1982

CPG PRODUCTS CORP. AND GENERAL MILLS
FUN GROUP, INC.,

Petitioners,

v.

ANTI-MONOPOLY, INC.,

Respondent.

Brief in Opposition to the 7 Motions
for Leave to File Briefs Amicus Curiae

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IN THE
SUPREME COURT OF THE UNITED STATES
OCTOBER TERM, 1982

CPG PRODUCTS CORP. AND GENERAL MILLS
FUN GROUP, INC.,

Petitioners,

v.

ANTI-MONOPOLY, INC.,

Respondent.

Brief in Opposition to the 7 Motions
for Leave to File Briefs Amicus Curiae

Anti-Monopoly, Inc. ("respondent"
or "Anti-Monopoly") hereby opposes, and
files this brief in opposition to, the
seven motions by various organizations
and one corporation seeking leave to file
amicus curiae briefs in support of the

petition of by CPG Products Corp. and General Mills Fun Group, Inc. ("petitioner" or "Parker Brothers") for the issuance of a writ of certiorari to review the decision and judgment of the Court of Appeals for the Ninth Circuit in Anti-Monopoly, Inc. v. General Mills Fun Group, Inc., No. 81-4281, issued on August 26, 1982.

By letter dated January 27, 1983, petitioner's attorney of record, Nathan Lewin, requested this Court's Clerk, Hon. Alexander L. Stevas, to present to this Court Mr. Lewin's letter requesting this Court to invite the Solicitor General to file an amicus brief. Anti-Monopoly has responded in opposition to such letter, with a letter dated January 29, 1983, from respondent's attorney, Carl E. Person, requesting that the letter in opposition also be presented to this Court. Mr.

Lewin's practice of soliciting requests for amici curiae no doubt produced the 7 amici curiae motions to which respondent now responds, based upon Mr. Lewin's distortions and misstatements of the record. It might be noted that the attorney for the Chamber of Commerce was petitioner's attorney in the first appeal to the Ninth Circuit herein, which he (Dean A. Olds, Esq.) does not point out to this Court; nor does Oliver P. Howes, Esq., a trademark lawyer in New York City for the past 20 years or so, point out his apparent

1. Incidentally, after indicating it was going to file an amicus motion, The Coca-Cola Company, Inc. decided not to, after respondent filed its brief in opposition and after advising respondent's attorney of record that the Ninth Circuit had just upheld the Coke trademark. Also, petitioner's own organization, The Toy and Game Manufacturers Association of America, after indicating it was going to file an amicus motion, apparently decided not to do so. Probably because of footnote 3, p. 11 of the motion of the DC Bars, which indicates that "trademark registrations for games are suspect in general".

membership in the United States Trademark Association (of which petitioner's in-house attorney Berman is a member of the Board of Directors) or the Committee on Trademarks and Unfair Competition of the Association of the Bar of the City of New York. Also, petitioner is a member of proposed amicus curiae The Grocery Manufacturers of America, Inc. Mr. Lewin does not negate any memberships or associations by him or his firm with either the Bar Association of the District of Columbia or the District of Columbia Bar ("DC Bars"). What is being represented to this Court as a broad-based concern about the Ninth Circuit's decision can readily be seen to be only the obligatory assistance from a few business and professional associates of the petitioner and its New York and Washington, D.C. counsel.

The amicus motions raise various frivolous issues as their basis for requesting leave of this Court to file their amicus briefs, and respondent answers some of the issues below on a collective basis:

1. Motivation Survey. Movants claim that the only evidence was respondent's "motivation survey", but this is wholly false. In order to develop primary significance evidence, respondent commissioned a national survey. The director of the survey testified as respondent's expert witness that "The objective of the study was to determine whether consumers use the term 'Monopoly' primarily to denote the product or whether they use the term 'Monopoly' primarily to denote the producer" (2nd Trial Tr., p. 13-14). The survey used a purchaser motivation approach in its open-ended first ques-

tion: "Why would you buy Monopoly?" and a buyer's meaning-of-the-term "monopoly" approach in its structured second question -- both based on the Ninth Circuit's first opinion.

The second question was asked of interviewees after they had stated they were buyers or prospective buyers and after they had explained why they were motivated to buy Monopoly. .Therefore, the second question sought different information than buyer motivation evidence. It asked: "Which of these two statements best expresses your meaning when you ask for "Monopoly" in a store. I would like Parker Brother's Monopoly primarily because I like Parker Brother's products" or "I want a 'Monopoly' game primarily because I am interested in playing "Monopoly". I don't much care who makes it." (Emphasis added.) (PX 111 and

2nd Trial Tr. p. 20). The alternatives were buyer-oriented options, sharply differentiated as to product versus source indicators, especially in a situation where product is largely intangible game playing.

In response to the question "Was the phraseology 'I don't much care who makes it' put in there with any thought of how it would affect the response to that question?", respondent's expert witness Canapary testified: "Well, we wanted to make a clear-cut distinction between the two statements, between the product and source statements. And, by putting that in there, I think we made a very clear distinction. (2nd Trial Tr. p. 137).

These alternatives, hence, conformed to the significance approach also recommended at p. 7 of petitioner's Reply Brief. That is why the Ninth Circuit,

which had the full record before it wrote:
"In our earlier opinion we made it clear that what was relevant was the sense in which a purchaser used the word 'Monopoly' when asking for the game by that name. The survey was a reasonable effort to find that out and was modelled closely on what we said in our opinion." (Pet. App. at 16a).

In the second question¹ therefore, interviewees were not asked why they purchased Monopoly and then given the alternatives. Petitioner's attorneys lumped together the two different approaches to make it seem that there had been only a buyer motivational approach, as follows:
"People who had bought the game or intended to buy it had been asked why they would do so. By adaptation of the court of appeals' language, they were given a

choice of two statements:" (Pet. at 10-11) This is pure deception.

The amici, once misled on respondent's survey, try to dismiss it with an assertion that buyer motivation is totally irrelevant for trademark significance. This is immediately refuted by Justice Frankfurter (Pet. at 15): "A trademark is a merchandising shortcut which induces a purchaser to select what he wants..." (emphasis added).

It is also refuted by common sense since, if buyer motivation is irrelevant, there would be no need to protect trademark owners against infringement. The amici themselves warn this Court not to invalidate a trademark (erroneously) since this would give infringers free rein to motivate buyers to purchase the infringers' product in place of the one sold under the trademark.

In any case the amici need not worry. The Ninth Circuit has ruled that respondent will be enjoined unless it takes "reasonable care" to prevent confusion between the two different games.

2. Tide Survey. The Ninth Circuit's reference to the Tide survey was an aside which should be of no concern. Movant's argument is that a majority said Tide "does a good job" and claimed this was a product-related answer so that the "Tide" trademark was invalid under the Ninth Circuit rationale. But respondent's survey would have triggered further probing to determine if this answer had a product- or source-related meaning (2nd Trial Tr. p. 133). If the probing failed to elicit the proper distinction, the answer would have been put into the neutral category. But the Tide pollers who had not seen the Ninth Circuit

opinion probed for different reasons, rather than for a complete response to get at primary significance in conformity with the opinion.

Another claim by movants is that the Tide structured question generated a 68% product response which again was supposed to have invalidated the "Tide" trademark. But the Tide survey cannot be compared to respondent's survey because it did not replicate respondent's structured options. It simply asked "Would you buy TIDE primarily because you like Procter and Gamble's products or primarily because you like TIDE detergent?" These choices do not follow the Ninth Circuit's recommendations since the term "TIDE" in the second option "TIDE detergent" functions both as a product name and a source indicator and there is nothing else in that option to take out the source indica

tion. The correct replication of the second option is "I want TIDE detergent primarily because I am interested in washing my clothes. I don't much care who makes it." Also, the TIDE structured question was not a "meaning-of-term" question, and was only a motivation question. It did not ask interviewees "Which of these two statements best expresses your meaning when you ask for TIDE in a store?" (DX 177).

This exhibit was an attempt by petitioner to replicate a proposed survey by respondent, given to petitioner weeks before the second trial, which respondent never conducted because it lacked the meaning question and appropriate choice alternatives. Respondent's actual survey in evidence included these two corrections. Respondent's survey in evidence therefore was not repli-

cated by petitioner, because petitioner had refused to exchange completed surveys prior to trial.

3. Use of Survey in Other Courts.

The fear that the Ninth Circuit's primary significance test will be used in other courts without adaptation is baseless. The Ninth Circuit even stated (Pet. App. at 18a) that the Tide survey should be tailored to meet the situation, which would be the case for every use of it.

4. Shredded Wheat. Movants claim that Shredded Wheat involved a name which was generic at all times, and that respondent had not proved genericness prior to registration of the "Monopoly" trademark. This argument has no merit, see the Ninth Circuit's discussion of the post patent period (Pet. App. at 40a-42-a) and Respondent's Brief in Opposition, at pp. 51-53 for legislative history.

5. De Facto Secondary Meaning

Doctrine. Movants attack the de facto secondary meaning doctrine of existing trademark law. This doctrine is that evidence that the public associates a trademarked product with a single source is no evidence against genericness if a product which may be its own genus has only one producer. This doctrine follows logically from Shredded Wheat, which was incorporated into the Lanham Act (Br. in Opp. 47-55). Note especially the comments by Mr. Martin, who was then the chairman of the ABA's Trademark Committee (Br. in Opp. 53-54). To abolish this doctrine, the amici want this Court to accept the notion that a trademark must always be validated if the public knows that the trademarked product comes from a single source. If this Court revised the law accordingly, it would mean that the more successful a trademark owner is in

using his trademark to block competition, the more he could count on unhampered exploitation of his statutory trademark monopoly.

One of the clearest statements of the de facto secondary meaning doctrine is by T. McCarthy, the authority frequently cited by petitioner and its amici movants:

"De Facto Secondary Meaning might arise during the period when a seller is the single source for a genus of goods. (Then) the public might associate the generic name of the product with the single source merely because there is no one else on the market.... The single source situation might arise either because the seller has patent rights which foreclose others, or merely because no one other than a

single seller came into the market for some time due to economic considerations." 1 T. McCarthy, TRADEMARKS AND UNFAIR COMPETITION (1973) pp. 432-433.

6. Incontestability. Movants also advance the novel notion that the genericness constraint on the trademark incontestability clause means that the "common descriptive name" test should be applied only at the time of the filing of an incontestability affidavit. As far as respondent knows, no one else has ever made such a startling claim, especially in view of Sections 15 and 33b of the Lanham Act, 15 U.S.C. Sections 1065(4) and 1115b. Note also how this argument conflicts with the comments of Mr. Byerly, the father of the incontestability provision (Br. in Opp. 50-53).

7. De Facto Secondary Meaning

Again. Movants claim that the de facto secondary meaning doctrine does not apply in this case because Anti-Monopoly II held improperly that Monopoly is a genus of its own. Movants want to persuade this court that the game monopoly is only a product differentiated good competing with other similar products. Apparently, movants are not aware that the genus of one determination was first made by the trial judge (Br. in Opp. 34); it also conforms to obvious public knowledge (enabling the game to sell without any advertising whatsoever), and the patenting of the game's critical features, which no one else has used in a game until long after commencement of this action.

Swann is cited by petitioner for his article (see Pet. at 23; article pp. 358-359) on the genericness doctrine as applied to dual-functioning trademarks.

But Swann also asserts that the genericness of "Yo-Yo" is so obvious that it does not contribute significantly to the genericness doctrine given the narrowness and obviousness of the issues involved.

8. New York Times Article. The New York Times article by Ms. Lewin, cited by movants to show an alleged consternation about the Ninth Circuit's decision in the business community is based on statements made by petitioner's counsel, Oliver C. Howes, Jr., Esq., who is quoted in the article. Respondent's attorney was not contacted by Lewin in preparation for this article. The only issues raised in the article were petitioner's sham anonymity issue; the false motivation issue regarding respondent's survey; the false "sole evidence" argument; confusion about implications of the Tide survey; and failure to realize that

"Monopoly" was found by the courts to be its own genus and not simply a product-differentiated good competing with other similar goods.

9. AMA Seminar. Movants claim that various seminars are being offered on the Ninth Circuit's decision (p. 3, of United States Trademark Association brief). The only one known to exist is the AMA seminar, the focus of which is to educate trademark owners to conform with existing trademark law and has little to do with radical changes in trademark law alleged to follow from the two unanimous opinions of the Ninth Circuit. The quoted material is sales literature. The issues to be presented at the seminar in San Francisco and New York, led by respondent's attorney, includes the positions taken by petitioner, to present

a balanced view. Respondent has refused to participate in the seminar.

CONCLUSION

For the foregoing reasons, each of the 7 motions for leave to file an amicus brief in support of the petition for a writ of certiorari should be denied.

Respectfully submitted,

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